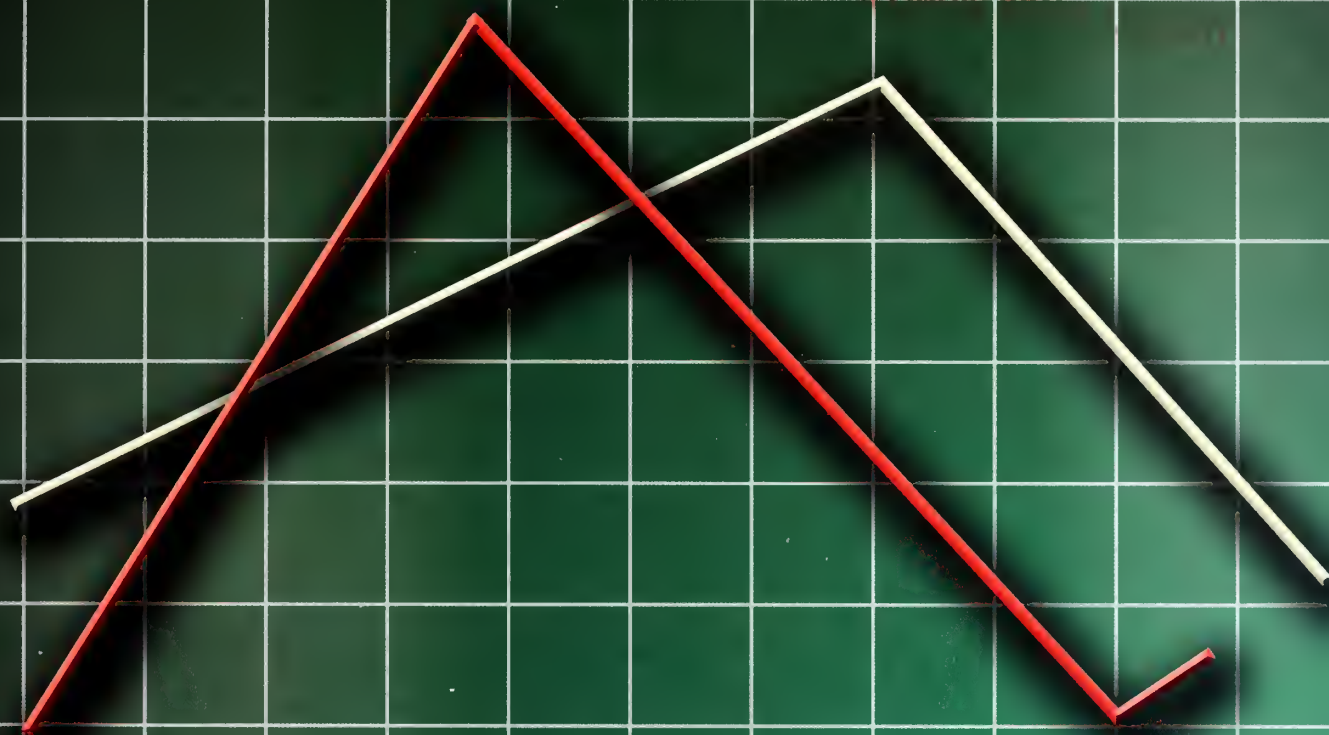


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THE ECONOMY

Employee entitlements

Some companies are using red ink
to rewrite worker benefits

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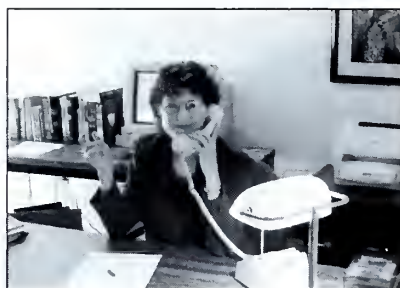
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Part of our responsibility as citizens is to understand the polls for what they are

by Peggy Boyer Long

The nation's founders surely would be amazed.

That we have the ability in the 21st century to measure public opinion with some precision might intrigue those scientifically enlightened leaders of the 18th century. But our near-obsession with tracking and

about the ways in which polls are conducted and the ways in which they are used, and cognizant of their benefits and limitations. That's also the premise of our conversation this month with pollster Richard Schuldt. He offers some guidelines for weighing the credibility of the

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Peggy Boyer Long



Part of our responsibility as citizens is to understand the polls for what they are

by Peggy Boyer Long

The nation's founders surely would be amazed.

That we have the ability in the 21st century to measure public opinion with some precision might intrigue those scientifically enlightened leaders of the 18th century. But our near-obsession with tracking and analyzing it might simply bewilder them. That we give it such weight might even alarm them. After all, the men who crafted our representative form of government were, for the most part, instinctively disposed to counterbalance, if not contain, popular passions.

Not so today's leaders, who seek to test it, shape it and co-opt it. Political scientist Herbert Asher suggests polls should be added now to death and taxes as an unavoidable part of American life. "Public opinion polling is a contemporary manifestation of classical democratic theory," he writes in *Polling and the Public: What Every Citizen Should Know*. "It attests to the ability of the rational and wise citizen to make informed judgments on the major issues of the day."

Does he give us too much credit? Asher's premise is that we can and should, at the least, be informed

about the ways in which polls are conducted and the ways in which they are used, and cognizant of their benefits and limitations. That's also the premise of our conversation this month with pollster Richard Schuldt. He offers some guidelines for weighing the credibility of the political polling we'll see more of in the coming weeks and months, the most familiar of which are the so-called horse-race polls.

The credible ones are fairly reliable. Yet how do we weigh the value of such polls in our civic life? They can help or hinder the contenders, and certainly bring profit to the consultants who conduct them and the media that promote them. As for the rest of us, they seem little more than entertainment — a sometimes addictive one at that.

And here lies the danger for some analysts. Polls designed to track who is ahead can crowd out more substantial information about the candidates. Further, they can influence the outcome.

Still, what political junkie could ignore the day-to-day drama in Iowa, tricky as it is to poll a caucus state, or New Hampshire? It seems best to take polls for what they are: an adrenaline-

charged snapshot in time that is employed for fun and profit.

We can tune in and tune out at our own discretion. In fact, it is best to tune in just before an election. A case in point is Illinois' race for the U.S. Senate. This far out, the undecideds are winning both primaries by a landslide. The leading candidates are still bunched in the teens. Polling in that race will become more relevant only after the contenders begin to build name recognition.

Credible as they are, we should view horse-race polls with skepticism.

That is true, as well, for the polls designed to gauge the standing of incumbents. As we were going to press, a *New York Times*/CBS News poll reported the public gives high marks to President George W. Bush for his handling of the war on terrorism, but has doubts about his handling of the economy. Those polled also judged his plan to head back to the moon too risky and expensive.

That poll was released as a run-up to the president's State of the Union address, meaning the numbers would be moot in mere hours.

The shelf-life for such polls is short. And — this is the danger in these

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types of polls — they are especially sensitive to events that can sway the public's mood, the capture of Saddam Hussein, say, or September 11. This makes them susceptible, as well, to manipulation by officials.

Yet they can give us some sense of how others see things.

As do the issue polls, though they are the trickiest to interpret. Schuldt warns that pollsters can be creative. "Part of politics is defining the issues. It's a totally legitimate way of using polls, to see how different dimensions of issues can influence distribution of public opinion. That is a good way to look at public opinion polls."

He also warns that polling is not a good way to set public policy. In a representative democracy, citizens, however well-informed, can't be expected to be experts in the nuances of every major question of the day.

A well-meaning citizen might be busy getting supper on the table or the kids to bed when a pollster calls and asks for an opinion on the intricacies of federal tax policy.

Our founders understood this dilemma. So they devised a system of government that enables us to elect people whose full-time job it is to weigh the nuances.

Not that this gives us a pass on staying informed — about the issues or the polls. We have our civic job, too. As we head into this election season, part of our responsibility will be to understand, and judge, how and why information gets to us.

Part of our responsibility is to understand the polls for what they are, a small part of a wider public discourse. And that's something the nation's founders would surely appreciate. □

Peggy Boyer Long can be reached at peggyboy@aol.com.

For more information

PRINT

Polling and the Public: What Every Citizen Should Know

by Herbert Asher, Congressional Quarterly Press. Paperback, 2001. The sixth edition is due out next month.

Calling Elections: The History of Horse-Race Journalism

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WEB

www.gallup.com offers the latest opinion studies on politics, policy, business and sports, including public attitudes about Pete Rose.

www.pollingreport.com offers recent polling results and trends. This is an independent subscriber-based service, but it offers some information to the general public. Click on Table of Contents.

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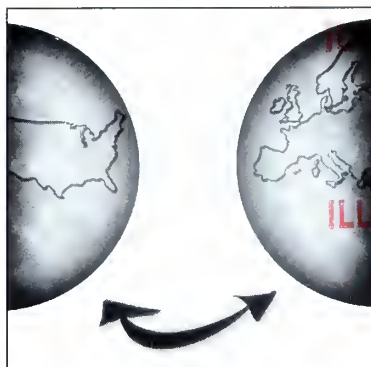
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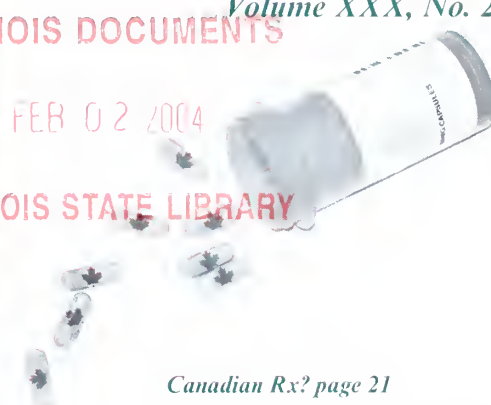
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BRIEFLY

LEGI CHECKLIST

The Illinois General Assembly is back in session. Lawmakers, who got under way last month, are scheduled to work through May. The key issue this spring, as it was last spring, is the state budget. Legislators won't get a look at hard numbers for the fiscal year that begins in July until the 18th of this month, when Gov. Rod Blagojevich is scheduled to announce his spending plan.

Budget

The governor and his aides have already indicated the budget faces a likely deficit of about \$2 billion. In an effort to fill a \$5 billion deficit last year, Blagojevich raised hundreds of fees and utilized a number of one-time revenue enhancements, including a tax amnesty program and the proposed sale of the James R. Thompson Center in Chicago. As of mid-January, the sale of that state building had yet to happen.

This year, the governor's options include raising additional fees, expanding the state's riverboat gambling industry and making spending cuts. He says he will stick by his campaign pledge not to raise state sales or income taxes. And Blagojevich's budget director John Filan has hinted at one budget-balancing strategy: Try to increase government workers' share of pension contributions. When speaking last October to the *Peoria Journal Star*, Filan said improving state employees' pension plans should be a bargaining issue, not a legislative one. In January, Filan suggested to *The Southern Illinoisan* in Carbondale that state workers who are represented by unions should be required to pay half their pension contributions.

Under the current contract, which expires in June, the state picks up the entire amount of pension contributions for workers represented by the largest state employee union, the American Federation of State, County and Municipal Employees.

Fees

Lawmakers are likely to resume efforts to roll back some fees increased for businesses and municipalities as part of this fiscal year's budget. During the November veto session, the Senate approved a measure that would repeal fee hikes imposed on trucking companies and the House approved a similar measure concerning discharge fees for cities and wastewater treatment agencies. Neither reached the governor's desk.

Some trucking company officials have said the higher fees on so-called "rolling stock" will force them to leave Illinois. And some governmental bodies were caught off-guard last summer when the state started imposing the discharge fees, which apply to holders of federal National Pollutant Discharge Elimination System permits for water and sewer treatment plants.

Tollway

Lawmakers also may revive legislation to reform the Illinois State Toll Highway Authority. Last year, the House and Senate approved a measure requiring the governor to appoint an inspector general for the authority. Blagojevich used his amendatory veto power to strike a provision requiring the authority to use concrete masonry bricks when building sound barriers. The Senate accepted the revision, but the veto session ended before the issue had a vote in the House.

Obesity

Heightened worries about obesity and poor eating habits, especially among children, prompted the governor and House Republican Leader Tom Cross to announce plans to push legislation that would ban junk food and soft drinks from school vending machines by 2005.

Cross, from Oswego, and Rep. Paul Froehlich, a Schaumburg Republican, have introduced a package of measures related to children's nutrition. It includes bills that would create a commission to

track children's nutritional health and limit school districts' physical education waivers to two years.

Immigrants

Supporters of a proposal to allow undocumented immigrants to obtain driver's licenses are likely to keep lobbying for the idea, which the state Senate rejected on a close vote last year. The failed legislation would have permitted driver's license applicants to use a form of identification other than a Social Security number.

Education

Students who have dropped out of school could return under legislation introduced by Chicago Democratic Sens. Iris Martinez and Miguel del Valle. Currently, students older than 21 who have not yet graduated cannot return to high school. Under the measure, districts cannot refuse re-enrollment without justifiable cause. If a district has denied re-enrollment for a justifiable reason, it would have to provide programs to help that student earn a diploma.

Del Valle and other Latino lawmakers also plan to pursue efforts to help districts comply with the federal No Child Left Behind law requiring schools to separate the results of state exams into subgroups for evaluating the progress of minority students and the elimination of language barriers.

Biodiesel

School buses purchased after 2005 would have to use biodiesel fuel if they transport public schoolchildren, under legislation sponsored by Democratic Rep. William Davis of Hazel Crest. Biodiesel is an alternative fuel made from vegetable oils, predominantly soybean oil, animal fats or recycled restaurant greases. It is nontoxic and is considered less polluting.

*Adriana Colindres
Statehouse bureau, Copley Newspapers
and Bethany Carson*

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ETHANOL

Illinois farmers want feds to pass stalled energy bill

The omnibus federal energy bill stalled in Congress would help Illinois' ethanol industry and stimulate corn prices. But Illinois' ethanol industry is growing with or without it.

An ethanol plant is under construction and seven others are in the development and planning stages. Interest has been piqued by a high demand for ethanol, the gasoline additive made from corn, and a \$15 million state grant fund established last June to build and expand ethanol and biodiesel plants.

Illinois leads the nation in ethanol production. Currently, this state produces nearly 800 million gallons of ethanol a year from five plants, capturing nearly 28 percent of the national market. Nationwide, there are 71 ethanol plants in operation and 16 under construction. Adkins Energy, the first farmer-owned ethanol plant in Illinois, has produced 40 million gallons annually since it opened in Stephenson County in 2002.

Despite Illinois' edge, ethanol producers and farmers hope the U.S. Senate early in its new session will approve an energy bill that stalled in December. That federal plan establishes the first Renewable Fuels Standard and calls for nearly doubling domestic production of ethanol to five billion gallons by 2012. It also provides tax credits to small producers.

"That would give us a smooth road," says Mike Smith, who heads a farmer-owned cooperative that is building a \$70 million ethanol plant in Fulton County. "I compare it to traveling down two parallel roads, one gravel and one paved. We'll get there on either one, but there will be fewer bumps" with the energy bill guarantees.

Smith and his group of about 390 investors formed Central Illinois Energy Cooperative in Canton. He expects the plant to be constructed, creating 200 to

300 temporary jobs, and open by early next year. It will use 11 million bushels of corn to produce 33 million gallons of ethanol yearly. The cooperative expects to hire about 50 people permanently.

His group tapped into the new state fund to help with the start-up. But he says the energy bill would create a steady demand for ethanol that helps investors who have to borrow money long-term to build new plants.

"Financial institutions like to know there's going to be a market for the product," he says.

Another farmer-owned cooperative in Crawford County is even closer to producing ethanol. Lincolnland Agri-Energy in Robinson has begun construction near the town of Palestine and expects to open in June.

About 450 local farmers invested \$13.4 million in the \$57 million plant. When open, that eastern Illinois plant will produce 40 million gallons of ethanol, using 15 million bushels of corn. That's expected to boost the area commodity price for a bushel of corn by five to ten cents.

The Illinois Corn Growers Association says farmers in the area of Adkins Energy, which is located in the northwestern Illinois town of Lena, sold corn for nearly 15 cents a bushel more as a result of the demand generated by that ethanol plant.

In addition to temporary construction jobs, most of the new ethanol plants hire 30 to 50 people in permanent jobs. The Crawford County cooperative expects

to employ 32 people, says Norma Carder, executive director of Crawford County Development Association. That county has a 6.5 percent unemployment

rate, which is down from 7.7 percent a year ago. Carder says those jobs will help retain the family farm economic structure in the agriculture industry. "An important fact in farmer-owned projects," she says, "is showing everyone that the rural community is picking itself up by the bootstraps."

Steady demand for ethanol spurred by the renewable fuels standard will help farmers help themselves. The standard is expected to translate to as

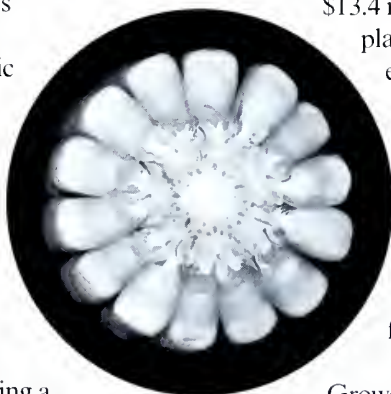
much as 28 cents more per bushel for corn, according to the Illinois Farm Bureau.

But demand for ethanol is going to grow regardless, says Monte Shaw, spokesman for the Renewable Fuels Association. As of January 1, the states of Connecticut and New York joined California in banning the gasoline additive MTBE (methyl tertiary-butyl ether), creating a stronger demand for such additives as ethanol. "We see growth for the industry in terms of how fast, not if," he says.

In early January nearly 40 farmer and agribusiness organizations sent a joint letter to Congress urging the passage of the energy bill containing the renewable fuels standard.

"All the new growth in ethanol production is coming from farmer-owned cooperatives," says Mark Lambert, spokesman for the Illinois Corn Growers Association. "But banks have been waiting on a commitment from the government. When the energy bill passes, you're going to see companies racing to build new ethanol plants."

Beverley Scobell



BRIEFLY

GRANT AWARDED More excavation planned for Free Frank's town site

New Philadelphia, the western Illinois site of the first incorporated black town in the country, will be the focus of archaeological field studies in late May. The National Science Foundation awarded a \$226,500 grant to the University of Maryland to do a third round of archaeological work at the Pike County community founded by a former slave.

Paul Shackel, director of the University of Maryland's Center for Heritage Resource Studies, will train undergraduate students, chosen from a national pool of applicants, in a 10-week course that will include excavation at the site and analysis of artifacts at the Illinois State Museum. The museum, the University of Illinois at Springfield and Urbana-Champaign and the New Philadelphia Association are working in cooperation with Shackel.

New Philadelphia, founded by former slave Free Frank McWhorter, was unique on the antebellum frontier because it was surveyed, platted and incorporated, "not just a collection of people gathered for protection, business or some other reason," says Shackel.

The three-year federal grant is contingent upon a \$16,000 payment to catalog artifacts already retrieved from the site. That was guaranteed by the New



Terrance Martin, Illinois State Museum's curator of anthropology, and museum assistant Lisa Winhold record artifacts marked by students during the walk-over exploration of the New Philadelphia site.

Philadelphia Association, a group of Pike County residents who strive to draw attention to the site's historical significance, says association President Philip Bradshaw.

Born in South Carolina, Free Frank was taken to Kentucky as a young man. He bought his wife's freedom in 1817 with \$800 he earned mining saltpeter "on his

own time." Two years later, he bought his own freedom. In 1831 he moved onto the land he bought in Pike County, then farmed, improved the homestead and platted the town. With the money he made selling the 144 lots in the town of New Philadelphia, which was on trade routes, he eventually bought the freedom of 16 family members at a cost of \$14,000.

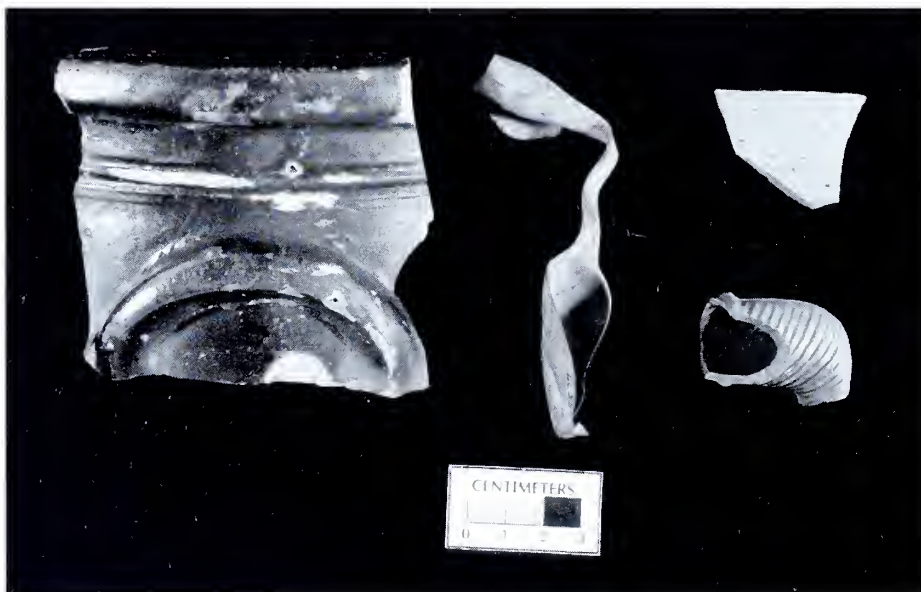
"Free Frank's life is a remarkable story," says Shackel, who led two previous "walk-over" surveys in October 2002 and March 2003. The town was founded in 1836 and had as many as 170 people at its height. An 1850 Census shows the town was about 30 percent black and 70 percent European and mulatto.

It was unincorporated in 1885 after the railroad bypassed it, and people moved to other business centers. For more than a century it was farmland. Nevertheless, more than 7,000 artifacts, from broken ceramics to a porcelain doll's head and arm to horseshoes, were found.

"Once the artifacts are cataloged," says Shackel, "we will have a better idea of the town's chronology and the people who lived on each lot."

Beverley Scobell

Photograph courtesy of Illinois State Museum



These artifacts were among more than 7,000 found at the New Philadelphia site. From left to right, they are a portion of a stoneware crock, a spoon, a ceramic sherd (top) and a smoking pipe bowl.

OPERATION SAFE ROAD

Ex-governor goes to trial next year

Former Gov. George Ryan won't be tried until March 2005 on a sprawling 18-count federal corruption indictment, a federal judge ruled.

Ryan becomes the sixth Illinois governor to have criminal charges brought against him and is the 66th defendant in the federal government's Operation Safe Road investigation that began in September 1998, less than two months before Ryan was elected governor.

In its 91-page indictment, the government in December charged Ryan with racketeering conspiracy, mail fraud, lying to federal agents and income tax violations.

He has pleaded innocent to the charges, which add up to Illinois' biggest corruption case in decades.

While secretary of state and later governor, Ryan is alleged to have illegally pocketed cash and accepted loans and trips for himself and family from friends. In return, those associates were given state leases and contracts worth millions of dollars, the government has charged.

If found guilty of the allegations, the 69-year-old Kankakee Republican could face up to nine years in federal prison.

The Safe Road investigation initially focused on bribery and the illegal sale of trucker licenses under Ryan when he was secretary of state. The probe later evolved into alleged political corruption involving Ryan and his friends.

After his indictment, Ryan made a brief statement to reporters, professing innocence, castigating federal prosecutors, vowing not to plea bargain and saying, "I'm going

to fight hard."

"I want to respond to the almost six years of abuse to my family and friends that I have endured as the federal government has torn apart my personal life with this intrusive and overbearing investigation," Ryan said.

In mid-January, U.S. District Judge Rebecca Pallmeyer ruled that Ryan should be tried alongside his friend, Lawrence Warner, who was charged with 12 counts of conspiracy, illegally structuring a monetary transaction, racketeering, money laundering, mail fraud and extortion. Warner's trial was scheduled to start this month, but Ryan's attorney Dan Webb insisted he needed more time to prepare his defense. Despite Warner's contention that delaying his trial until next year would be unfair, Pallmeyer insisted on a joint March 14, 2005, trial. Webb hinted he will continue attempts to have Ryan tried separately. Solo trials would give him a preview of the government's case.

Fifty-nine out of the 66 charged have been convicted. There have been no acquittals.



George Ryan

Dave McKinney
Statehouse bureau, Chicago Sun-Times

Slow march to recovery

Illinois' economy has shown signs of stepped up recovery in recent months, but its pace appears slower than the nation's as a whole.

"I think Illinois is recovering, just like the rest of the country. But we're not out of this. The recovery has been slow and halting. People are still uneasy, apprehensive," says J. Fred Giertz, who charts this state's economic activity at the Institute of Government and Public Affairs at the University of Illinois.

Giertz' institute produces a monthly flash index that gives an indication of Illinois' economic condition. The index — a weighted average of the growth rates of corporate earnings, consumer spending and personal income — fell below 100, the score considered healthy, when the recession began in March of 2001, and has been in the double digit range for 32 consecutive months.

The index was at 98 for December, the third consecutive month of growth. However, unemployment in Illinois for November was 6.7 percent as compared to 5.9 percent for the nation as a whole. And, while the unemployment rate for Illinois didn't decline, the national rate dropped from 6 percent. For December, federal unemployment slipped to

5.7 percent, at a rate slower than had been predicted. Illinois unemployment figures for December were unavailable as of mid-January. Slow job growth is a continuing problem for the state and the nation, Giertz notes.

The recession was particularly rough on Illinois, he says, because the state relies heavily on manufacturing, a sector that was particularly hard hit. On the other hand, fewer manufacturing jobs also are an indication of greater productivity among manufacturers. Technology-driven productivity has made corporations less dependent on a workforce.

Increased productivity made this recession, as well as one in the early 1990s, easier to bear, Giertz says. During the recession in the 1980s, unemployment topped 25 percent in some parts of the state.

The 2001 recession and its recovery are unusual in a number of ways, he says. The nation did not experience a big drop off in consumption; and though unemployment rose, it was not as high as in past recessions. This time, the worst culprits were big declines in investment and corporate profits and in state tax collections, Giertz says.

Maureen Foertsch McKinney

CENSUS REPORTS

Child support payments

Less than half of custodial parents due child support received the full amount in 2001, according to a recent report by the U.S. Census Bureau.

The proportion, 45 percent, remained unchanged between 1997 and 2001, but is up from 37 percent in 1993.

Conversely, the percentage of parents receiving "some" of the payments due decreased 10 percent to three quarters of custodial parents since 1993. The report says the drop in parents receiving some support since 1993 mirrors the increase in percentage of those receiving the full amount.

http://www.census.gov/Press-Release/www/releases/archives/families_households/001575.html

Family spending

Chicago families spend more on groceries than average among those in Midwestern cities and the nation.

In fact, Chicago households spent \$3,358 on food at home in 2001, according to a survey by the U.S. Census Bureau. The Midwest average was \$2,912 and the U.S. average was \$3,092.

Kansas City, Mo., households spent the most out of the eight Midwestern cities surveyed. Households in Kansas City spent \$3,497 in 2001.

Nationally, households in Dallas-Fort Worth spent the most, \$4,077, much higher than the average of \$2,972 for southern states. Tampa residents spent the least, \$2,298.

The U.S. Census Bureau is starting work on an updated survey in January.

http://www.census.gov/Press-Release/www/releases/archives/economic_surveys/001635.html

Bethany Carson

NCSL NOTES

Here's how the states stand on same-sex marriage

Illinois is one of seven states with pending legislation to recognize domestic partnerships between same-sex couples, according to the National Conference of State Legislatures.

The Washington, D.C.-based bipartisan consulting and research organization reported its findings on laws related to same-sex marriages in the January 2004 edition of its magazine *State Legislatures*.

The Massachusetts' Supreme Court ruling that same-sex

marriages are constitutional spurred states to look at their laws on the subject.

In Illinois, Gov. Rod Blagojevich supports civil unions, but not gay marriage, says his press secretary Rebecca Rausch. The General Assembly last fall failed to consider a measure to prevent discrimination based on sexual orientation. Sen. Carol Ronen and Senate President Emil Jones, both Chicago Democrats, had proposed a measure to ban sexual orientation from being used as a basis to deny employment or residency.

State-level party control

Illinois is one of 22 states that has the potential to shift the nation's political landscape, according to the National Conference of State Legislatures.

Illinois Democrats scored big in the 2002 election, seizing control of both state legislative chambers and the governor's office. Democrats control both chambers and the governor's mansion in just eight states.

Nationwide, Republicans control more legislatures than Democrats by a margin of 21-17. Eleven states have Democrats controlling one chamber and Republicans controlling the other. Nebraska elects legislators on a nonpartisan ballot.

Less movement is predicted in the Congressional races, says Kent Redfield, political science professor at the University of Illinois at Springfield. "Nationally, the Republicans do not need to pick up any seats," Redfield says. "The Democrats at the national level need to pick up seats, but there are no real prospects in Illinois, unless we have a personal scandal or a national Democratic shift like 1994, which is very unlikely."

Off-brand sales cost states tobacco settlement money

Cheaper brands of cigarettes create savings for consumers, but cost states that rely on tobacco settlement money from major cigarette manufacturers. Illinois is one of the biggest losers, collecting nearly \$21 million less in tobacco settlement money than anticipated because off-brand sales account for as much as 15 percent of the national market, according to *State Legislatures*.

The settlement dollars stem from lawsuits filed to recoup taxpayer money spent treating tobacco-related illnesses. Many of the off-brands — such as Cowboy, Santelmos, Lobos, Durants and Marathons — were not involved in the lawsuits and can charge less than the major brands of Winston or Marlboro. The difference in price per carton is about \$10. The off-brand companies are supposed to pay into escrow accounts in the states where their products are sold, but some have skirted the law by changing names each year. Illinois is one of 35 states using a directory of manufacturers approved for cigarette sales, according to the national conference. Those not on the list are considered contraband. In 2001, Illinois distributed more than \$437,000 for prevention programs, health care services and prescriptions for seniors. This year, the state plans to distribute about \$277,000, with nearly \$150,000 going to health care services.

Bethany Carson

By the number

- **2 states** allow same-sex civil unions: *California and Vermont*
- **7 states** introduced legislation to create domestic partnerships in 2003: *California, Colorado, Illinois, Massachusetts, New Mexico, New York and Rhode Island*
- **9 states** introduced legislation to legalize gay marriage in 2003: *Colorado, Connecticut, Hawaii, Massachusetts, New Jersey, New York, Rhode Island, Texas and Washington*
- **10 states** (and the District of Columbia) have anti-discrimination laws to protect gays: *California, Connecticut, Hawaii, Maryland, Massachusetts, Minnesota, Nevada, New Jersey, Vermont and Wisconsin*

Source: *The National Conference of State Legislatures*

VACCINE SHORTAGE

Flu season hits Illinois with a vengeance

Eleven Illinois counties seeking more flu vaccine from the state to battle this winter's respiratory virus came up empty handed in January because the state's Public Health Department declined to replenish its supply.

The Centers for Disease Control and Prevention categorized Illinois as having widespread flu activity through the second week in January, meaning every region in the state had confirmed patients with the virus. Forty-two states had widespread activity compared to only five states at the same time last year.

After Illinois reached its peak in flu cases, the deaths of two Cook County children were confirmed as flu-related. Nationwide, 93 flu deaths were children under the age of 18.

Hardest hit have been children, especially those with respiratory problems. Cases of 108-degree temperatures have been reported, says Mark Amerson, the state's coordinator of a federal vaccine program for children. Other flu symptoms striking adults as well as children include cough and body aches.

Counties seeking more vaccine include Calhoun, Kane, LaSalle, Livingston, Logan, Menard, Pike, Scott, Winnebago, and Franklin and Williamson, which share a public health facility.

Local public health departments may still purchase more of the flu vaccine through an agreement with the CDC, which is considering buying 375,000 more doses from England, says Illinois Public Health Department spokeswoman Tammy Leonard.

Private doctors are facing trouble with supply and demand, as well. The private sector purchases vaccine doses from private manufacturers, but is running out and is limited to buying more doses from wholesale companies.

Dr. Glennon Paul, an allergist at Central Illinois Allergy and Respiratory Services, says the Springfield facility normally buys 4,500 to 5,000 doses to cover his high-risk patients — those with respiratory conditions that weaken immune systems. This year, he says, the few hundred doses he has left will not

likely last through the rest of the flu season. "I wish I would have ordered 5,000," he says.

In Illinois, the early onset of flu during November and December attracted media attention and possibly contributed to a high demand for flu vaccine. But anecdotal information indicates flu cases to be more prevalent this season than last. Meanwhile, a preliminary CDC study indicated that most flu patients contracted a different strain than the one the vaccine was designed to prevent.

St. John's Hospital in Springfield recorded 307 cases, compared to seven cases at this time last year and only 16 for the entire flu season. Community Relations Director Brian Reardon says that even though St. John's is recording many more cases this year, the advances in technology make flu tests more available and reliable.

Vulnerable patients include the elderly and those with diabetes or emphysema, who can experience flu symptoms for two or three weeks compared to three or four days for a typically healthy person. Flu shots can decrease the severity of

symptoms if they don't precisely match the strain a patient catches, Dr. Paul says.

Also, there is an alternative flu vaccine available in nasal spray form, but Dr. Paul says high-risk patients should not use it.

Bethany Carson

Children and the media

Even those too young to speak are immersed in electronic media for hours each day. More than a quarter of children younger than 2 have a television in their room, according to a Henry J. Kaiser Family Foundation study of young children's media habits.

The survey found that 59 percent of children 6 months to 2 years watch television on a typical day; 42 percent watch a videotape or a DVD.

Regardless of which electronic media they watch, they are likely to watch for more than two hours.
<http://www.kff.org/lentmedialoader.cfm?url=/communityspot/security/getfile.cfm&PageID=22754>

Bethany Carson

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GRADING THE STATES

No Child Left Behind

Illinois needs to ensure migrant students participate in state testing to comply with the No Child Left Behind law. This state is one of seven reported as “partially on track” to achieving its goal of including migrant students, according to the Colorado-based Education Commission of the States’ 2003 comparison of states’ compliance with the 2-year-old federal school reform law.

Each school must test 95 percent of its students in subgroups, such as students who speak English as a second language and students among racial and ethnic minorities.

The commission attributed this state’s second-rate score to the lack of policies set by the Illinois State Board of Education to ensure migrant students take the standardized tests.

The Illinois Legislative Latino Caucus has questioned whether some African-American or Hispanic students have been held back from taking the standardized test required for juniors in high school, says Caucus Chair Sen. Miguel del Valle, a Chicago Democrat.

Illinois doesn’t adequately reveal how each subgroup performs on the exams, another of the caucus’ concerns. The nonprofit, nonpartisan commission reports that 36 percent of the states are in the same boat.

In addition to testing, graduation and attendance benchmarks, the No Child Left Behind law requires states to publish report cards.

Overall, Illinois’ report card said 43 percent of the state’s schools did not make “adequate yearly progress,” the requirement that at least 40 percent of all students who take the state exams pass.

Illinois, along with 48 other states, also scored low on setting adequate goals to ensure high-quality teachers lead every classroom. The state board has since written guidelines for school districts trying to improve their teacher quality.

Illinois was cited as needing improvement in seven areas, but scored much better in 32 other categories.

<http://nclb.ecs.org/nclb>

Bethany Carson

Poll’s support for Medicare reform slips when respondents get more information

Though some of Illinois’ poorest senior citizens could temporarily lose prescription drug coverage on January 1, 2006, the day the nation’s Medicare reform law takes full effect, a recent poll reveals soft support for the law’s benefits.

A report by the Kaiser Commission on Medicaid and the Uninsured says people most affected by the plan are those who qualify for Medicare as well as Medicaid. The commission is part of the Henry J. Kaiser Family Foundation, a Menlo, Calif., nonprofit that focuses on health care issues. Medicaid, the state-federal insurance program for the poor and disabled, currently provides services not covered for low-income seniors and people with disabilities because of a gap in Medicare.

When the full Medicare reform law takes effect, states will no longer receive federal matching funds for Medicaid patients whose prescription drugs now fit into a category of the Medicare plan.

A recent national survey found that support within the population that will be most affected by the reforms — those 65 and older — dropped when respondents were presented with more detailed information about the ramifications of the plan; for example, the benefits won’t help all seniors. The questions were posed in the National Annenberg Election Survey conducted by the Annenberg Public Policy Center of the University of Pennsylvania.

Initially, 46 percent of those 65 and older favored the Medicare reform law. After hearing more details, only 16 percent favored the reform. Another 40 percent were uncertain and 26 percent opposed the law.

Starting in 2006, senior citizens who qualify will pay a premium and deductible set by the federal government, but private insurance companies will provide the prescription drug benefits. It is predicted the system will lower the cost of prescription drugs.

About 60 percent of Medicare recipients will benefit from the program, while the remaining 40 percent will have no incentive to enroll, according to the Kaiser Commission.

The largest savings will go to those with the most expensive prescriptions. When seniors pay \$3,600 out of pocket, the insurance covers 95 percent of the costs. After paying the first \$250 for prescriptions, seniors pay 25 percent of the next \$2,000 in drug costs. Those enrolled in the program would pay a \$35 monthly premium, or \$420 annually.

A gap in benefits still exists, however, for people whose prescriptions cost between \$2,200 and \$3,600 out of pocket.

Low-income seniors who earn below \$13,000 in 2006 will get a waiver from the premium, deductible and coverage gap.

Until 2006, Medicare recipients can buy discount cards for \$30, which will give them access to selected companies that can sell prescription drugs at discounted prices, under a measure in the reform package that’s already in effect. Low-income Medicare recipients will receive a drug discount card with a \$600 credit.

<http://www.appcpenn.org/haes/>

<http://www.kff.org/medicare/index.cfm>

Bethany Carson

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THE ECONOMY

Employee entitlements

Some companies are using red ink
to rewrite worker benefits

by Maura Webber

Health and retirement benefits once provided a lifetime link between employers and employees. But as responsibility for these assumed entitlements has shifted from boss to worker, that connection has changed, too.

Consider Amy Rodgers, vice president of Rodgers Engineering, and Araceli Gonzalez, a project engineer who has worked at that company for about 16 years. Addison-based Rodgers, which makes components for the automotive industry, has always prided itself in offering workers good benefits, Rodgers says. But last year, she says, the company's health care costs rose about 15 percent. That meant the company paid nearly \$1 million in health care premiums. Like many companies, Rodgers offset that increase by tinkering with health plan offerings and shifting costs to employees through higher deductibles and drug co-pays. So far, the only change Gonzalez has noticed is the hike in her prescription co-pay. But if the day comes when her share of health care costs rises too high, Gonzalez says she will consider going without insurance.

Still, Gonzalez is sympathetic to her employer, saying she understands all companies are facing tough decisions as the economy recovers. Meanwhile, her employer is working to keep morale up by educating the company's 250 employees about the problem and being more flexible with other benefits, including time off. But Rodgers says the company knows it has to continue to cut costs to compete with low-cost producers in China and Mexico. "All the actions we've taken have been necessary to keep us competitive in a world market."

Rodgers Engineering isn't alone. Illinois and national human resource experts say there's been a sea change in the attitude of workers and companies toward the benefits and perks some had come to expect. Gone is the entitlement mentality that grew out

of the booming 1980s and '90s, when many employers picked up all or a substantial part of the tab of such mainstay benefits as health care and offered such sexy perks as pingpong tables in the lunchroom and in-house dry cleaning.

Now, in the wake of the recession, companies are wrestling with the rising costs of core benefits. "Employers are realizing that they can't shoulder all the cost of providing benefits," says Mary Lynn Fayoumi, president of the Management Association of Illinois. "They have to get their employees involved."

Health care costs are the most immediate concern. Across the country, companies have seen health care expenses nearly double over the past decade. They were hit with a fourth year of double-digit increases last year, according to a survey by Mercer Human Resource Consulting, a unit of New York City-based Marsh & McLennan Companies Inc. In 2003, employers offering health plans saw an average 10 percent increase, and the expense is expected to rise again by about that share in 2004. It's important to note that those 10 percent increases came after companies took out red pens to trim the types of plans offered and to increase the share that employees would bear.

Last year, many companies shifted a more significant portion of the increase to their workers. As a result, the average percentage of the premium paid by workers for employee-only coverage in health maintenance organization plans rose to 35 percent from 31 percent the previous year. The average percentage of the premium paid by workers for family coverage rose from 50 percent to 57 percent. The survey found similar trends for preferred provider plans.

Many company executives also told Mercer that continued increases will be "unsustainable" if not held to a maximum of 8 percent annual hikes. Something will have to change if workers are going to continue to get

their health care coverage through employers, says Jeff Black, leader of Mercer's Chicago health and group benefits practice.

"The unsustainable part is that health care can't continue going up and up, especially in a day and age when companies, if they're lucky, are only growing at a 2 percent clip," Black says. "Some kind of change is crucial."

There's no single cause for the higher costs, experts say. "It's really a blending together of a lot of different drivers," Black says, of which medical advances are one element. For example, many patients are demanding more expensive technology and services, such as an MRI when a less costly option, such as an X-ray, might work just fine.

Gary Claxton, a vice president of the Kaiser Family Foundation, a Menlo Park, Calif.-based independent health research group, says that rising hospital costs and higher prescription drug costs also are part of the increase. Industry consolidation, for example, has given hospitals more clout in bargaining with insurers. In addition, the roll-out in recent years of new blockbuster drugs, anti-cholesterol medication as an example, also has pushed costs up.

Medical advances tend to require consumers to pay up. "Consumer electronic advances tend to let you do more for less money, but in health care you get more for more money," Claxton says.

Pension benefits are a growing concern, too. Fewer companies are offering them. The percentage of those offering any kind of retirement plan dropped from about 64.9 percent in 1994 to 62 percent in 2002, according to a survey by the Congressional Research Service. Pension benefits peaked in 1999, when 66.8 percent of U.S. workers were offered employer-sponsored plans.

But that shift isn't entirely the result of the recession, says Patrick Purcell, a specialist in social legislation for the research service. He says another

reason, which shows no sign of abating, stems from a change in the type of industry that is generating jobs these days. "There's been a continuing long-term shift in the distribution of employment out of mining and manufacturing that offer these benefits to attract skilled labor and into retail and other service industries where retirement benefits are not as widespread."

While the congressional survey does not look solely at Illinois, the trend away from manufacturing fits similar shifts in this state. The manufacturing sector experienced the greatest annual job losses from 1998 through 2002. In addition, though a report issued by the Illinois Department of Employment Security found jobs were more plentiful in health care, retail and temporary services in November, losses continued in most sectors. Further, there are indications the Illinois recovery may be slower than elsewhere in the country. In November, Illinois' unemployment rate, unchanged from October, was 6.7 percent, compared to a national unemployment rate of 5.9 percent.

In a sense, the slimming down of benefit packages means companies are going back to the future, says Jim Jaffe, a spokesman for the Employee Benefit Research Institute in Washington, D.C. He says it wasn't until World War II, when labor shortages were prevalent, that an increasing number of companies began to provide retirement packages and health care coverage to win over employees.

This occurred because of government wage controls designed to prevent inflation. Not considered wages, fringe benefits offered a way to sweeten job offers. Over the years, those benefits have come to account for an increasingly larger slice of the compensation pie. In 1970, benefits accounted for about 11 percent of U.S. workers' total compensation, rising to 15 percent in 1999, according to the Employee Benefit Research Institute.

That has begun to change. "Employers have basically tried to transfer some of the risk in both health care and pensions to employees," Jaffe says.

This latest trend has accelerated for reasons unrelated to the recession, Jaffe and others maintain. In fact, some workers' rights organizations suggest that companies are using the economy as an excuse to continue to pull back on retirement plans — as they have steadily over the past 12 years, in the booming 1990s and the sluggish post-September 11 economy. "The lesson is to listen with a highly skeptical ear when business starts bemoaning the woes of [retirement] plans," says John Hotz, deputy director of the Pension Rights Center in Washington, D.C.

Perhaps more surprising is the empathy that at least one union leader has for the position employers find themselves in on health care benefits. Margaret Blackshere, president of the AFL-CIO in Illinois, says health care has been taking up the majority of the time at the bargaining table as unions struggle to hammer out contracts in which proposed higher health care costs for workers threaten to wipe out the benefits of any wage increases.

Companies such as Albertsons Inc., the parent of Chicago-based Jewel Food Stores, and Moline-based Deere & Co., maker of agricultural machinery, both won concessions over the past year that will increase some union workers' responsibilities for their health care premiums.

"The majority of employers are up against the wall on this," Blackshere says. "There's no doubt about it."

Mindful that there's no end in sight to the rise in health care costs, employers, industry associations and state legislators are seeking other ways beyond cost-shifting to bring down expenses.

Some companies, including Itasca-based Arthur J. Gallagher, an insurance brokerage and consulting company, are hiring outside contractors this year to help develop programs that will encourage workers to better manage health problems and prevent new ones.

Gallagher has already made some major changes to its health care plan offerings since it faced a steep rise in costs back in 2002, according to Janet Hoggay, a corporate benefits manager

with Gallagher. Though those steps helped hold down the rate of cost increases, Gallagher hopes Gordian Health Solutions Inc., a Tennessee-based company, will provide employees with assistance in managing chronic diseases such as diabetes, cardiac problems and asthma, which could realize a savings, Hoggay says.

Hoggay acknowledges the company sought out the program in part because there is now little left to cut from its health care offerings. It also makes sense, she says. "It's taking what a lot of plans have done in the past in terms of general wellness programs and taking it to a further significant level," Hoggay says.

The National Federation of Independent Business, which represents small and privately held companies and has about 21,000 members in Illinois and 600,000 nationwide, is in favor of some state initiatives that would reduce premium costs, says Kim Clarke Maisch, that organization's Illinois state director.

While the members are not interested in a nationalized health care solution, Maisch says they would like to increase access to affordable health care coverage for businesses. This might be achieved in part, she says, by eliminating more than a dozen state-imposed coverage requirements that boost premium costs.

For example, she says, Illinois requires any company offering workers' insurance to provide plans that cover infertility treatments. If some of those mandates were struck down, Maisch says that might encourage insurance companies to offer bare-bones coverage that more companies could afford. "Small businesses need options."

Another approach championed for several years by Rep. Karen May, a Highland Park Democrat, would allow small businesses to set up a pooled health insurance plan to share risks and help lower costs. The plan would require about \$1 million in start-up costs but would be funded by the businesses thereafter, she says. About 700,000 of Illinois' uninsured are estimated to be full-time employees, and May says she believes such a plan could ultimately help lower the cost

of insurance for all because it would reduce the number of people who are forced to rely on high-cost emergency rooms instead of routine doctor care. "As a society, people are uneducated about the huge risks of not having health insurance," May says.

The problem is not only a concern of smaller employers, according to Black of Mercer Consulting. He says Mercer is working with about 25 large corporations from across the country, including some in Illinois, that are hoping to use their clout to attack health care costs. Black says changes already have been made by employers and employees through cost-shifting that have made patients better medical consumers.

Now hospitals and doctors must make some changes, he says. For example, they could be made to offer more information to prospective patients about the costs they face and the risks and/or benefits of paying lower or higher prices for the care they receive. "You're really talking about a transformation in the marketplace," Black says. "People would shop around more, ask more questions and make value-based decisions." Such change could take as long as a decade to occur, Black says.

The consequences of changing retirement plan offerings are less clear. The Pension Rights Center says it is troubling that companies are shifting away from offering defined benefit plans in favor of defined contribution plans.

So-called defined benefit plans, more traditional pensions, reward workers who stay with a company for much of their lives. They offer set monthly payments after retirement. Defined contribution plans, including the 401(k), are made up of worker, and sometimes employer, contributions and are managed by the worker.

Hotz, of the Pension Rights Center, favors defined benefit plans precisely because these typically large plans give members investment options and clout that defined contribution plans don't offer.

But while Hotz opposes defined contribution plans, other pension experts say the flexibility they provide can be advantageous to both worker

and company. A company's defined benefit expenses often vary according to the pension fund's returns in the stock market because of federal mandates on management of those plans. That's not the case with 401(k)s, where a company's financial obligations are essentially completed each year. And David Hilko, practice leader of the employee benefits group for Deloitte & Touche's Chicago office, says such plans also are more portable, though that benefit comes with added responsibility.

"At the end of the day, it will put more onus on employees to make sure they know [what savings] they have," Hilko says. Gone are the days, he says, when an employer will take care of you for the rest of your life.

Some manufacturing companies, including Warrenville-based Navistar, are getting out of the business of defined benefit pension plans. Employees hired after January 1996 by that company, the nation's largest commercial truck producer, were offered 401(k) plans instead of traditional plans. The move is designed to cut costs and give employees more flexibility. And it made sense, considering that the company now has 45,000 retirees supported by about 15,000 active workers, says spokesman Roy Wiley.

In the end, the trend in health care and in retirement plans could leave more workers feeling like free agents. But, despite all the talk of employee empowerment, flexibility and increased consumer choice, the rise of these fewer-strings-attached relationships between employer and employee has some workers worried. Gonzalez, the project engineer who also is a mother of two, wonders what might happen if she opted to go without insurance. "It scares me for my children," she says. "Something like an emergency could happen. You never know." □

Maura Webber is a Chicago-based business writer and a frequent contributor to the magazine. Her most recent story for Illinois Issues, which looked at employer-assisted housing plans, appeared in September. She's the co-author of Getting an Investment Game Plan, which was published by John Wiley & Sons.

IN MEMORY

Michael H. Hudson was vice president of public affairs at Illinois Tool Works Inc. and chairman of the *Illinois Issues* board at the time of his death in 1992. In his memory, fellow board members established an annual essay to examine an economic trend in Illinois and its relationship to public policy. This feature was funded by a donor who asked to remain anonymous.

Trade wars

The European Union has threatened sanctions if the United States doesn't end a federal tax break for exporters. Thousands of Illinois jobs are at stake. And Congress is running out of time

by Dori Meinert

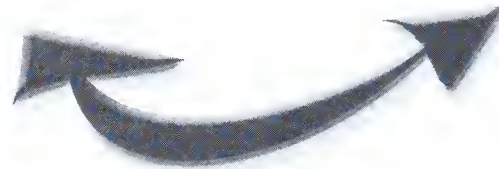


Illustration by Diana L.C. Nelson

Illinois owes thousands of jobs to a decades-old federal tax break aimed at encouraging companies to export products. Those jobs will be in jeopardy this spring, though, if Congress repeals the break, as the European Union is pressuring it to do, without cushioning the financial blow.

Two of Illinois' largest exporters, Boeing Corp. and Caterpillar, would be particularly hard hit and have been lobbying Capitol Hill in the hope of influencing the final legislation.

But Congress is running out of time. If it doesn't repeal the export

tax break by March 1, the European Union has threatened to begin imposing up to \$4 billion in retaliatory sanctions that could severely affect Midwest farmers and manufacturers.

The World Trade Organization approved the sanctions two years ago, agreeing with the European Union's complaint that the break for U.S. exporters constitutes an unfair subsidy that violates international trade law. The U.S. response is being watched closely by the other 145 member-nations of the WTO as yet another test of that global trade body's

effectiveness and of the United States' willingness to comply with its decisions.

Good trade relationships are especially important to Illinois, the sixth-largest exporting state in the country. And one of the WTO's main functions is to settle trade disputes between countries, helping disadvantaged trading partners achieve a level playing field. It also seeks to encourage the smooth flow of trade for the benefit of consumers, who enjoy a steady stream of products, as well as producers, who need a stable market

to stay in business. If the United States doesn't abide by the WTO ruling, it will be difficult to persuade other countries to do so, trade experts say.

The United States already faced a barrage of international criticism from the collapse of the WTO summit in Cancun, Mexico, last September. Developing nations walked out of those talks, charging that rich, developed countries, including the United States and the EU, weren't offering meaningful cuts in agricultural subsidies.

Some countries have long perceived the United States as a bully in world trade. And the export tax break is just one of several contentious trade disputes between this country and the European Union. President George W. Bush's administration averted one potentially expensive showdown with the European Union in December when it dropped tariffs on steel imports. While critics say the move gave the EU the upper hand in future negotiations, others said it was needed to bolster the WTO's credibility.

In other pending disputes, the United States has imposed sanctions on the European Union for its ban on imports of U.S. hormone-treated beef and has filed a complaint with the WTO over the European Union's ban on genetically modified food.

Yet the tussle over the tax break for U.S. exporters, known as the extra-territorial income exclusion, remains the longest-running and potentially the most costly trade battle. U.S. Trade Representative Robert Zoellick recently called the threatened EU sanctions the trade version of a nuclear bomb.

The WTO's appellate ruling in 2002 was one in a series of adverse rulings on this tax export break and similar tax schemes going back to 1976. The first ruling was issued by the WTO's predecessor, the General Agreement on Tariffs and Trade, established in the wake of World War II. The current incentive allows U.S. exporters to exclude about 15 percent of their net export income from taxation.

While many U.S. officials disagree with the WTO's decision, lawmakers

in both the House and the Senate agree the tax break must be repealed.

"An orderly international trading system is crucial to the economic success of the United States," House Ways and Means Chairman Bill Thomas, a California Republican, said after the WTO ruling. "It is in our interest that others follow the rules and, therefore, it is imperative that we follow the rules as well."

Yet there is little consensus in Congress on how best to ease the impact on U.S.-based exporters that are now benefiting to the tune of \$5 billion a year, or whether to grant new tax cuts to multinational companies as Chairman Thomas has proposed.

In October, the House Ways and Means Committee approved a corporate tax overhaul that would phase out the export break over three years and add \$140 billion in new business tax cuts over 10 years, costing the federal government \$60 billion in lost revenue. It would reduce the corporate tax rate from 35 percent to 32 percent for domestic manufacturers. It also would lower taxes for multinational firms.

Thomas has said the measure is a long-overdue reform of the international corporate tax system, which now results in double taxation of multinational firms, once in another country and again in the United States. But the plan is expected to face strong opposition when it is brought to the House floor.

Heading into an election year, Democrats complain the measure is too costly when the country already is facing a deepening deficit. The liberal Center on Budget and Policy Priorities estimates the actual 10-year cost would be about \$96 billion.

Further, the Democrats are joined by 20 House Republicans led by Rep. Donald Manzullo of Egan, who argues that Thomas' proposal would send more U.S. jobs overseas by giving tax cuts to multinational companies with extensive overseas operations. Just 11 Republican votes in opposition could doom the measure in the narrowly divided House.

Some countries have long perceived the United States as a bully in world trade.

And the export tax break is just one of several contentious trade disputes between this country and the European Union.

Manzullo, whose northern Illinois district is suffering from the loss of factory jobs, wants all of the money saved by the repeal of the export tax break to be returned to the U.S. firms that now benefit from it.

"This is a very simple fix," says Manzullo, who chairs the House Small Business Committee. "A lot of people are just piling stuff on to make it a Christmas tree. In doing so, they're putting a lot of companies at risk by playing roulette with the EU."

Manzullo also contends that Thomas' measure will harm overseas firms that have purchased companies in the United States and saved U.S. jobs, including several plants in his district.

Supporters of Thomas' plan contend Manzullo is attempting to block any congressional action to protect the interests of Caterpillar and Boeing. But Manzullo rejects the notion.

"There are people so hell bent on putting through an international tax cut that has the unintended consequences of encouraging foreign companies to set up shop in China. ... They're the ones who are causing this thing to be delayed," Manzullo says.

Some members of both parties fear it may be politically dangerous to support a corporate tax break when U.S. manufacturing jobs have, until recently, been declining.

About 3.4 million jobs nationwide, including about 155,000 in Illinois, are directly or indirectly linked to

The European Union plans to begin phasing in retaliatory provisions in March. It plans to impose a 5 percent tariff on imports, increasing that tariff one percentage point a month up to a maximum of 17 percent.

companies that benefit from the export tax break, according to a study by PricewaterhouseCoopers.

Chicago-based Boeing could be forced to cut 9,600 jobs nationwide and its suppliers may have to eliminate 23,000 jobs, company officials have said.

Caterpillar, which is headquartered in Peoria, has been reluctant to give specific figures. But company officials told a congressional panel in 2002 that losing the tax break would hurt Caterpillar's ability to create more U.S. jobs as its exports grow. Of that company's \$21 billion in sales in 2001, Caterpillar Vice President F. Lynn McPheeters told the Senate Finance Committee, more than \$5 billion was attributed to exports, directly supporting 16,500 jobs and 33,000 U.S. suppliers' jobs.

Smaller Illinois companies would be affected as well. Exports make up 30 percent of the annual sales of Excel Foundry and Machine Inc. in Pekin. Excel President Doug Parsons estimates he would have to lay off 10 percent of his 100 employees if the current break is repealed without a new benefit.

Thomas had trouble getting his original bill out of his own committee, revising it several times to include more benefits for domestic companies before winning the endorsement of House Speaker J. Dennis Hastert, a Yorkville Republican, and committee passage on a party-line vote. He eventually won over Rep. Philip

Crane, a Wauconda Republican who initially had joined Manzullo in opposition, and Rep. Jerry Weller, a Morris Republican who has 5,000 Caterpillar workers in his district.

Weller also received a tax cut for another constituent, Plano Molding Co., which makes fishing tackle boxes. The committee-approved bill would eliminate a 10 percent excise tax on such tackle boxes, a \$32 million tax cut.

Elsewhere around the country, arrow makers and Hollywood studios also receive tax cuts under the plan.

Thomas says his bill will create jobs, noting that 60 percent of U.S. manufacturing jobs are provided by multinationals. "Our international competitiveness has not been meaningfully enhanced in over 40 years. This bill will make the U.S. more competitive in the 21st century," Thomas argued in a statement issued after the committee approved the bill.

Caterpillar officials, who refuse to discuss their position publicly, are said to be lobbying Congress to extend the three-year phase-out of the tax break proposed in the House and Senate bills.

However, European Union Commissioner Pascal Lamy has said even three years is too long. "We have exercised considerable patience and understanding for the U.S. position as you have sought to come into compliance. But it has taken a long time. ... I hope you will understand that we cannot accept an additional three years," Lamy wrote to Manzullo in October.

House and Senate GOP leaders have said repealing the export tax break is a priority. But even if the full House and Senate can approve their respective measures by March 1, the House-Senate conference negotiations on two dramatically different bills are expected to be difficult and protracted.

Senate Finance Committee Chairman Charles Grassley, an Iowa Republican, and others are insisting that any new corporate tax cuts be offset by increases in revenues in other areas. If they stand firm,

House negotiators would have to give up many of the House bill's new corporate tax cuts.

The Senate bill includes several "revenue raisers," including increases in Customs user fees and new limits on tax shelters to offset a tax rate cut for corporations.

"There is going to be a battle royal within the conference and between different sectors of the business community. And that is an environment that is not a happy one, at least for Republican leadership and even for some Democrats," says former House Ways and Means Committee Chairman Bill Archer, who now works as a senior policy adviser in the Washington, D.C., office of PricewaterhouseCoopers.

Heightening the stakes for many companies is that this is expected to be the last chance for corporate tax relief for several years because of the worsening deficit.

Meanwhile, the European Union plans to begin phasing in retaliatory provisions in March. It plans to impose a 5 percent tariff on imports, increasing that tariff one percentage point a month up to a maximum of 17 percent. The tariffs would hit a range of U.S. exports, from farm products to toys and jewelry, all targeted to gain the most political leverage.

"Regardless of the substance [of the WTO decision], if the U.S. does not conform, it will be seen as U.S. unilateralism," says Gary Clyde Hufbauer, a senior fellow with the Institute for International Economics.

"From a U.S. commercial standpoint, we really want countries to voluntarily respect WTO rules. You only want to have to bring a small number of cases. You don't want [the world trade body] to become a dead letter, which is always the danger with an international agreement," he says. "You can have all sorts of fine-sounding principles, but if they're not respected and observed, then it becomes a hollow thing. That could certainly happen to the WTO if major players don't abide by its decisions." □

Dori Meinert covers Congress for Copley News Service.

Canadian Rx?

The rising price of drugs has put pressure on officials to legalize purchase of medicine north of the border. But it's unlikely the move would solve the problem

by Daniel C. Vock

One are the days when most Americans who were buying cheaper Canadian drugs had to live close to the border or hop on a bus. Now, an estimated 1 million or more Americans — some say it's twice as many — purchase medicines from our northern neighbor, and most do so online.

A search on Google for "Canada" and "prescription drugs" will turn up 1.4 million hits and nearly a dozen ads. And that's after Google and other Internet portals, such as Yahoo! and America Online, started refusing ads from unlicensed online pharmacies. This activity has caught the eye of many legitimate Internet entrepreneurs, as well as counterfeiters, federal regulators and, yes, politicians.

Among them is Gov. Rod Blagojevich, who has a plan for Illinois' employees to get medication through the Canadian market. He has tried to drum up national support for legalizing importation of Canadian drugs, and, failing that, to convince the feds to waive the prohibition for Illinois. The governor's scheme has come under fire, but he argues that bringing in drugs at the price levels determined by the Canadian government could save Illinois, its employees and retirees millions of dollars. The proposal needs an endorsement from President George W. Bush's administration, but a thumbs-up from the federal government appears unlikely.

Blagojevich appears unfazed. A Copley News Service poll released last

month shows 73 percent of Illinoisans back his proposal, compared to 18 percent who oppose it. He's trying to build support for the concept nationally, too, with such efforts as organizing a prescription drug meeting this month during a governor's summit in Washington, D.C.

The governor also has backed legislation sponsored by his successor in Congress, U.S. Rep. Rahm Emanuel, a Chicago Democrat, to let those imports go forward. That plan ultimately stalled, but not before it passed the U.S. House.

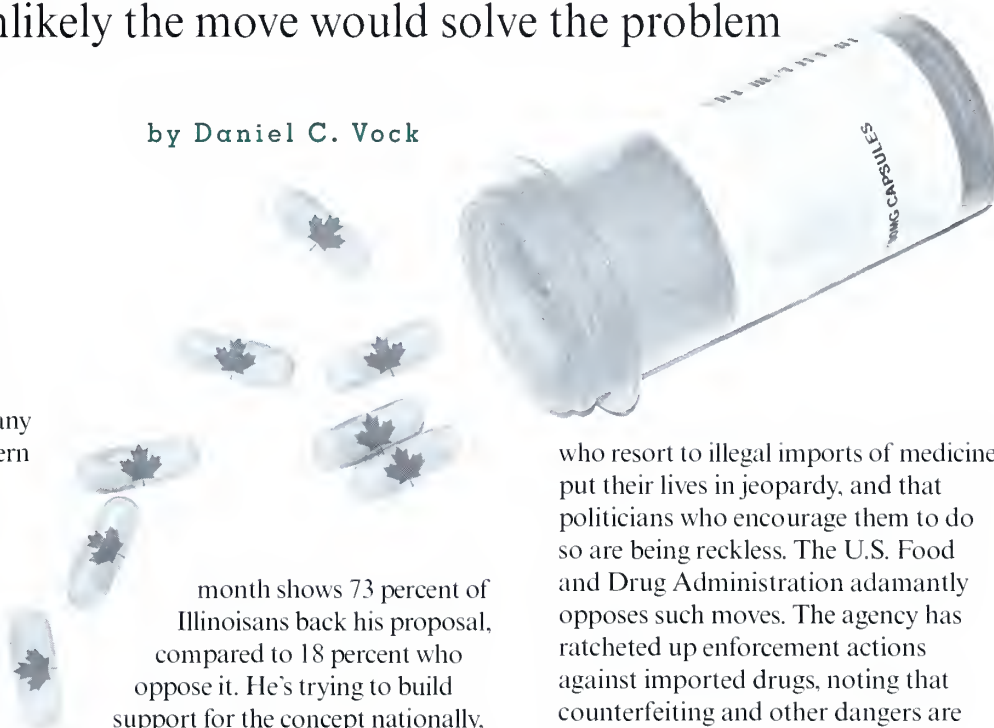
Other state and local governments have been more brazen. The city of Springfield, Mass., set up a program to allow its employees to buy their medicine from Canada. The mayor of Boston says his city will soon follow suit, though he acknowledges the practice is illegal. New Hampshire also announced it will purchase Canadian medicine for inmates and Medicaid recipients.

Meanwhile, pharmacists and drug manufacturers argue that customers

who resort to illegal imports of medicine put their lives in jeopardy, and that politicians who encourage them to do so are being reckless. The U.S. Food and Drug Administration adamantly opposes such moves. The agency has ratcheted up enforcement actions against imported drugs, noting that counterfeiting and other dangers are on the rise.

These moves stem from increasing demand in the United States for prescription drugs. While the average consumer pays more for prescriptions every year, there are indications that drug prices are only a small component in what's driving higher costs. New medicines, aggressive advertising campaigns and a continuing emphasis on preventive medicine have fueled that demand.

Richard Cauchi, a health care policy expert with the National Conference of State Legislatures, says other factors are at play, including the increasing number of prescriptions per patient and the rising demand for newer, and often more expensive, medicines. He points to a study conducted by the Florida legislature to evaluate forces behind increases in that state's prescription drug costs between 1995 and 2000.



The Florida survey found responsible factors fell into three major categories: 38 percent because of new prescriptions for more expensive existing drugs; 39 percent because of scripts for higher-priced new drugs; and 21 percent because more drugs were prescribed. The remaining 10 percent came from price increases on existing drugs.

Canadians aren't immune from price hikes, either. According to the Canadian Institute for Health Information, Canadians, on average, have increased their spending on medicine 8.7 percent a year from 1997 to 2001. But Canada, like most industrialized nations, places restrictions on consumer prices for medicines, especially so-called break-through drugs. Though regulators in that country don't set prices, they provide guidelines for manufacturers to follow. Prices of break-through drugs are linked to their costs in other developed countries, including the United States and European nations. Those price controls, experts say, are the main reason Canadian drugs are cheaper than medicines in the United States.

Further, drug costs are the same for all consumers in Canada, unlike in the United States, where prices often depend on a customer's insurance plan or other discount mechanisms.

Drug manufacturers often abide by price controls set by countries because governments threaten, in effect, to void drug patents in those countries if manufacturers don't comply, says Jeffrey Trewhitt, a spokesman for the Pharmaceutical Researchers and Manufacturers of America. Without a patent, other companies can produce "copycat" drugs in those jurisdictions.

Trewhitt and many others claim that price limitations in other countries mean, in effect, that American customers are underwriting research and development of new medicines, a process that often takes more than a decade per drug. The pharmaceutical industry argues that price controls stymied innovation in countries that imposed them. Relying on drugs imported from Canada could have the same effect in this country, he says. "If they are talking about importing into this country the price controls [of Canada], it will have the effect of killing

the goose that lays the golden egg."

Still, most plans to cut costs stateside rely on lower prices imposed by other governments, especially Canada's.

Blagojevich dispatched two advisers to Ontario and Manitoba to conduct a month-long study on the feasibility of bringing drugs south. They determined it could be done and save Illinoisans as much as \$90.7 million.

That 30-page proposal, issued in October, calls for the state to set up a contract with a Canadian clearing-house for all of its beneficiaries. State employees and retirees could go to this central repository for refills on certain prescription drugs approved for importation by the state.

The state would, in turn, find the best deals for those approved medicines at other retailers or wholesalers, which would then ship the medicine to Illinois. Some of those drugs, though, would be randomly inspected by pharmacists at the University of Illinois at Chicago to protect against counterfeit, expired or improperly stored drugs.

In return, beneficiaries who opt for the mail-order drugs would not face a co-payment. They also would have access to a local "primary care pharmacist" who would consult with patients about their prescriptions.

The proposal is more complex than existing set-ups in Springfield, Mass., or New Hampshire. It relies on a concept, the primary care pharmacist, that has yet to be tested. And there are questions about how much it would really save. According to the study, the state could save \$90.7 million a year for its 230,000 employees and retirees. That comes out to a savings of roughly \$394 per person every year, but, of course, not everybody buys the same amount of medicine.

Even so, the report suggests savings would be far short of that, at least initially, because the high mark assumes that 100 percent of all beneficiaries would participate in the mail-order program. The report suggests that only a third of all participants would go that route during the first year — still far higher than the 7 percent who now use domestic mail orders.

Instead of reaping \$55 million in savings from preferred provider

organization participants, for example, the report estimates that number would more likely be \$18.3 million. Of that, customers would save \$6.9 million because the state would offer an incentive to waive co-payments on imported drugs. Meanwhile, the state would save another \$11.4 million because of the lower medicine costs.

The same logic applies to beneficiaries covered by health maintenance organizations. In that case, though, the state — rather than individual customers — would reap proportionately bigger benefits because the drug co-payments that would be waived are normally less in HMOs than PPOs. The report says the managed care portion would save \$11.9 million in its first full year, but because the state has contracts with those insurance providers, the program would take longer to implement.

Not all of the savings would go to the state or its employees. Built into that estimate is \$3.3 million to cover the costs of the primary care pharmacists who would help enhance safety under the Blagojevich Administration plan.

Basically, the concept would change the way state beneficiaries interact with their pharmacists. Rather than visiting their druggists every time they need a prescription filled, beneficiaries would schedule regular visits with their pharmacists, just as they do with doctors and dentists. Under the governor's proposal, the pharmacists would receive a flat fee for every mail-order prescription filled under the state plan. This would cover the cost of making the pharmacists available for questions from state beneficiaries.

The one-page explanation of the "primary care pharmacist model" in the governor's report doesn't identify what that rate would be. Mike Patton, executive director of the Illinois Pharmacists Association, says administration officials offered 50 cents per script — far too low to make the venture worthwhile, he says.

But Scott McKibbin, one of the two primary authors of the plan, counters that the new concept could be the future of pharmacy. "The profession of pharmacy needs to move past the level of counting pills, licking labels and putting labels on bottles. There's no

way in the system [now] to do that, but pharmacists want to get paid for their cognitive skills." The model would allow pharmacists to specialize in certain areas. They could focus on patients with asthma, diabetes or heart problems.

McKibbin and Ram Kamath, a pharmacist who was the other principal author of the Blagojevich plan, insist the state won't go forward with a state purchasing program until federal law allows it.

In Massachusetts, a panel researching the issue found that the projected cost savings barely outweighed the cost of setting up the program. Officials there assumed that only 18 percent of beneficiaries in that state would choose mail-order drugs, the same number that currently uses them in Massachusetts. Overall, the Group Insurance Commission estimated that state would realize only \$1.4 million in savings after writing off \$9 million to waive co-payments for its beneficiaries. But the tipping point was the potential liability Massachusetts would face for operating an illegal program. In the end, Massachusetts officials decided that importing drugs wasn't feasible.

Abby Ottenhoff, a Blagojevich spokeswoman, points out that Illinois won't incur any additional legal risks.

Technically, the FDA could give the go-ahead for imports, as long as the secretary of Health and Human Services could assure the public those imports would be safe. Under former President Bill Clinton's administration, Donna Shalala declined to do so. Her successor in President George W. Bush's administration, Tommy Thompson, also has refused such requests.

The FDA argues importation schemes are fraught with danger for patients. Many online pharmacies that say they are based in Canada are actually located in such countries as Mexico, China or India that have less stringent regulatory schemes. The agency has stepped up anti-counterfeiting measures and has asked courts to shut down the operations of Internet-based pharmacies illegally importing Canadian drugs.

Once McKibbin and Kamath issued their recommendations, William Hubbard, the FDA's associate commissioner for policy and planning, fired off a letter

citing many faults. The FDA maintains that liability for the Illinois plan would be greater and savings lower than the special advocates indicated. Canadian pharmacies may offer drugs that are just as safe as those in the United States, but that doesn't mean that prescriptions shipped from Canada are up to those same standards, Hubbard argued.

"Unregulated importation endangers the lives of America's seniors," he wrote, citing one recent case of an 82-year-old man who called the FDA. The drugs he bought off the Web site of a purported Canadian pharmacy turned out to be from India, and they were knock-offs of an FDA-approved drug, Hubbard wrote. "'Buyer Beware' is bad health care practice and even worse health care policy."

Local pharmacists share many of the same concerns. Patton, from the state pharmacists' association, is especially concerned about the aspect of the plan that would allow patients to go without seeing a pharmacist for long periods. The proposal would require patients to see a pharmacist in person the first time they buy a particular medicine, but after that they could go long spans without seeing a druggist. This would give them fewer chances to ask about side-effects, drug interactions or other potential problems. Pharmacists have a far better chance of spotting counterfeit drugs or making sure they were handled properly than the general public, Patton says.

"I often ask people, 'Would you go on eBay and buy drugs?'" Very few people say they would, but Patton argues that buying medicine online from unknown companies is just as risky.

Under certain circumstances, Patton says, he wouldn't object to a plan in which Illinois pharmacists distribute Canadian drugs. He says the medicines would have to come from warehouses approved by the FDA or its Canadian counterpart, Health Canada, and then ordered and sold by local pharmacists.

But that's not the group's focus. "We're against any proposal that doesn't take into account the safety of patients," especially because of the "naivete of the general populace."

Almost every group involved in the

issue, though, argues that the recent fascination with Canadian medicines is a symptom of larger problems with the American health care system. David Gross, a senior policy adviser at the AARP, notes that the senior advocacy group has long supported "reimportation" of U.S.-approved drugs from Canada. But, he says, "reimportation is not the be-all and end-all. This will help some, but there are other things that are more important."

Gross, like many others, says Americans must be better educated about less costly medicines that could potentially take the place of high-end products. The ratio of generic to name brand drug sales has declined, but the FDA has tried to speed up the process of bringing generic drugs to the market. Generics, it notes, are often less expensive than name brand medicines from Canada.

Pharmacists and consumer groups often complain that pharmaceutical companies drive up demand for high-end drugs with direct-to-consumer ads, some of which never even mention the ailment the drugs are supposed to treat.

Trewhitt, the spokesman for the pharmaceutical manufacturers group, suggests another reason for the unrest. "The fact is that what we have in this country is a coverage problem." A recently approved prescription benefit package for Medicare, which AARP supported, could ease, but not solve, that problem when it's finally implemented in 2006, Trewhitt believes.

He also says people don't realize there are ways to get prescription drugs more cheaply, or even for free, through assistance programs, doctors who get free samples and even the pharmaceutical manufacturers themselves.

McKibbin says medicines have become so expensive that the issue is reaching crisis stage. He acknowledges the Blagojevich Administration plan he helped craft may not be the ultimate solution. But with Americans paying the highest prices in the world for drugs discovered and manufactured in their own backyard, McKibbin argues, "Something's got to give." □

Daniel C. Vock is Statehouse bureau chief for the Chicago Daily Law Bulletin.

Campaign dart game

As the legislative session gets under way, partisans are looking to score political marks. But being a re-election target isn't all bad

by Pat Guinane

John Sullivan won a seat in the Illinois Senate and lost the element of surprise. The Rushville Democrat scored a stunning defeat of longtime Republican incumbent Laura Kent Donahue two years ago, landing himself squarely in the crosshairs of the state GOP.

Republicans, who lost control of the Senate in 2002 because of such defeats, are already eyeing districts where voters could help them recapture the chamber next year. But such targeting is a practice employed by both parties, and Democrats are not oblivious to the bull's-eye on Sullivan's back.

That has its benefits. Legislative leaders allow lawmakers who are political "targets" to sponsor popular legislation and even break party ranks when a crucial yet controversial vote comes to the floor. This will be the case in this spring's session, the run-up before the fall election.

Legislative leaders determine the lifespan of legislation, and Sullivan's bills had a high survival rate. Leaders also know that, for a targeted legislator, the wrong vote on a sensitive issue often becomes campaign fodder for the other party. So, when Gov. Rod Blagojevich, a fellow Democrat, pushed a cache of controversial measures aimed at balancing a

\$5 billion deficit in his first year, Sullivan was among a select few Senate Democrats who were free to vote against a series of fee hikes that roused public rancor.

Sullivan also was able to deviate from his party on special legislation, such as when SBC Communications won a legislative rate hike on the strength of Democratic votes. In less than a week, the telephone company headed by William Daley, brother of Chicago Mayor Richard Daley, convinced the legislature and the governor to nearly double the rates competitors pay to offer service over

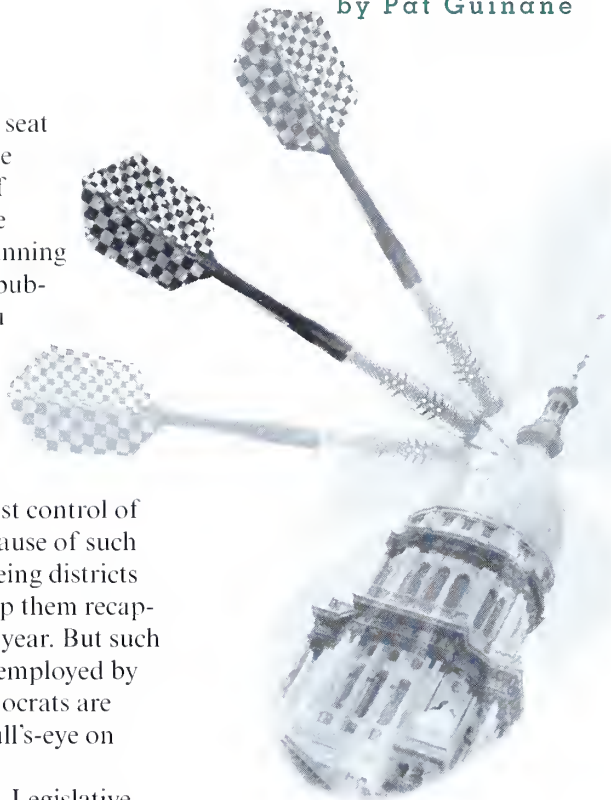
SBC lines. Sullivan was one of only four Senate Democrats who could go back to his district and tell voters he went against the leadership of Chicago Democrats who control the House, the Senate and the Executive Mansion.

He also returned to his 47th District with an impressive array of legislative accomplishments, especially for a freshman.

Sullivan's legislation was aimed at supporting production of ethanol, an asset to his rural western Illinois district, and fighting production of methamphetamine, a curse to the same agrarian locale. In either case, dozens of rural legislators would have lined up to sponsor such bills.

That would include Senate Republicans. "When you have a piece of legislation that impacts the rural area and you can get John Sullivan or whomever involved, that's the way the system sometimes works," says Senate Republican Leader Frank Watson of Greenville. "The Senate Democrats did a good job because they know that this guy is very vulnerable."

In fact, Watson flatly labels Sullivan's victory a fluke. After all, for a solid 22 years Donahue represented Quincy and the area where Illinois, Iowa and Missouri converge. She outspent Sullivan by nearly \$125,000 but still lost a district that supported Republican Jim Ryan for governor.



Sullivan sits atop Watson's early list of GOP targets. The others are Democratic Sens. Patrick Welch of Peru, Susan Garrett of Lake Forest and Gary Forby of Benton.

The two parties won't face off until the November general election, but potential battlegrounds in both chambers already have been identified. Republicans are eyeing open seats, freshmen and districts that lean to the right.

The Senate likely will host the most heated battles as the GOP tries to regain control of that chamber. There's a practical reason for this: Republicans need to pick up four seats to take control of the Senate. A GOP takeover would require twice as many conquests in the House.

Targets admit campaign cash is usually the ultimate denominator in races that attract interest from the state political parties, but they also can point to legislative accomplishments that will buttress their upcoming contests.

At a time when state government was closing tax loopholes in search of new revenue, Sullivan won support for legislation that extended for another 10 years a sales tax break on gasoline blended with corn-based ethanol.

"It was one of the first bills that I got a chance to work on, and a very important bill for Illinois and especially western Illinois, because we're such a rural district here," says Sullivan, whose challenger will be Quincy farmer Gary Speckhart. "Obviously, from a farmer's standpoint, it gives them another outlet for their corn and soybeans."

Sullivan also supported a handful of bills toughening penalties for crimes associated with meth, a highly addictive drug concocted with household chemicals. His efforts include sponsoring a new law that doubles penalties for those convicted of cooking meth around children. Sullivan saw the status of the legislation elevated when Attorney General Lisa Madigan, a Democrat coming off her first statewide victory, stepped up to support the measure.

"To have her be in support of what we're trying to do, in my opinion, can

only be good for me," Sullivan says. "I'm very pleased with that and certainly appreciate what she's done."

It wasn't the first time he received such support. The Illinois Democratic Party, Senate Democrats and Senate President Emil Jones, a Chicago Democrat, all were top contributors to Sullivan's upset victory, accounting for more than half his campaign receipts. The infusion made candidate Sullivan wonder whether he'd be beholden to the interests of Chicago Democrats.

"Obviously, I've had numerous conversations with President Jones about how different our districts are, for example, and how different our parts of the state are, and I have been pleasantly surprised that he certainly understands that situation," Sullivan says. "And there really has not been that pressure on me to make those votes or make what I would consider to be a bad vote for my district. I feel pretty good about that."

That freshman independence was again evident when Sullivan voted against expansion of Chicago's O'Hare International Airport. With Democrats controlling both chambers and the Executive Mansion, the plan passed, ending a two-decades-old fight and prompting projections of 195,000 new jobs.

But for Sullivan's district, the vote for O'Hare simply meant another plum for Chicago. Instead, he got legislation approved that would set up a special fund to provide downstate airports with grants to attract air carriers or improve infrastructure.

Sullivan also voted against a budget bill that raised registration fees for truckers by 36 percent and narrowed a sales tax exemption on new trucks and repair parts to the detriment of firms that do most of their shipping within Illinois. Business groups feared trucking companies would skip state lines, especially in districts such as Sullivan's, where the border is near.

Sullivan also was one of a few Democrats allowed to vote against an omnibus budget bill that was considered the fulcrum of Blagojevich's first state budget. The bill, which was

approved by the General Assembly, raided nearly \$150 million from dedicated funds, including \$50 million from the state road construction account. It raised hundreds of fees and created a new wastewater disposal fee that drained as much as \$50,000 from local governments approaching the end of their annual budget cycles.

But even before Sullivan could take any of those votes, he was under attack. As early as last spring, a full year and a half before the general election, the Illinois Manufacturers' Association ran a 30-second television spot accusing him of driving jobs out of state. The pro-business group took issue with Sullivan's support of legislation that, by 2005, will increase the state's minimum wage \$1.35 over the \$5.15 federal floor.

A similar ad was used against Welch, whose north central Illinois district has always leaned enough to the right to draw Republican interest. Welch voted against the SBC rate hike, but he didn't have the luxury of voting against unpopular fee hikes. As a senior Senate Democrat, Welch helped pilot through the legislature much of Blagojevich's first budget, which was aimed at getting the state's finances in order without a general tax increase.

This could pose a problem for him in the 38th District. Republican leaders view Blagojevich's budget, especially the fee increases, as a wedge that could drive voters away from the Democratic Party.

Welch's Republican challenger Gary Dahl of rural Granville happens to own a trucking firm, giving him first-hand knowledge of the impact of the higher fees. State government was expected to garner \$92 million this year from those unpopular increases levied on truckers. Republicans also like the fact that Dahl served two terms as president of the Illinois Valley Area Chamber of Commerce.

The GOP also covets the 59th Senate seat in deep southern Illinois, where Gary Forby, a Benton Democrat, took over for Larry Woolard this summer. Woolard took a job in the Blagojevich Administration and

*The GOP will be watching
to see if Democrats
can keep their targets,
including John Sullivan,
off the yes column
on controversial measures.*

Forby moved over from the House, making him a "freshman" in the Senate and, as such, an attractive target. He was able to avoid some controversial votes in the House, but he has yet to sponsor any major initiatives that might impress voters.

Challenging Forby is Ron Summers, a Thompsonville Republican who managed the DuQuoin State Fair under former GOP Gov. Jim Edgar. "Ron's just a class act, a hard worker, fits in well in our caucus philosophically. We're very anxious to have him be a part of our caucus," Watson says. "Candidates like that don't come around all that often."

Last on the early list of Republican Senate targets is Susan Garrett, a Lake Forest Democrat representing the north suburban 29th District. Two years ago, she defeated incumbent Republican Sen. Kathleen Parker. This time, the GOP has yet to put forth a challenger.

"We're not giving up on Susan Garrett's district by any stretch of the imagination," Watson says. "There's a lot of interest in that district. It's just difficult getting someone to step forward."

Garrett enjoyed voting freedom on par with Sullivan. And while candidates statewide tout sweeping ethics laws enacted this year, Garrett can boast that she sponsored that legislation in the Senate. The new law promises stricter scrutiny of state lawmakers, and targets insider deals and political work on state time while clamping down on questionable perks.

She, too, garnered high-profile party praise for her legislative work. "We wouldn't have the landmark

ethics legislation today if it wasn't for her tireless, steadfast commitment and her leadership in the Senate," Gov. Blagojevich says. "And she's a superstar and I'm going to be excited about campaigning for her, if she wants me."

In general, the freshman Democratic governor says, his party's control of both the House and the Senate helped make his first year in office a success. And he says he'll do what he can to keep members of his party in office. "I'm going to be active in helping candidates for office who I believe are devoted public servants," he says.

In the House, meanwhile, Democrats enjoy a partisan edge of 66 to 52, making the Republicans' election battle a bit more uphill.

House Republican Leader Tom Cross of Oswego says the 14-vote edge Democrats hold in the House allows Speaker Michael Madigan, a Chicago Democrat, more leeway to shield vulnerable members from controversial votes.

"You're going to find roll calls where there are 10 to 13 Democrats off any vote of any type of substance because Madigan has that luxury," Cross says. "You name any controversial bill or significant bill, they're going to be on the safe side because they're targets."

Still, as in the Senate, the GOP is generally monitoring districts where a freshman or a new appointee could be vulnerable. For instance, in north central Illinois, Rep. Mary Kay O'Brien just left the legislature for an appointment to the Third District Appellate Court. The Watseka Democrat's 75th District makes up the eastern half of Welch's Senate territory.

House Republican Leader Tom Cross of Oswego says O'Brien's absence could open the door for the GOP candidate, Morris Police Chief Doug Hayse. "We've got as good a candidate in Morris as we've had in a long, long time," Cross says. "I think Hayse should do exceptionally well. He'll draw votes and that should help Dahl."

In Effingham, Rep. William Grunloh took over the Republican-leaning 108th District last April, when Gov.

Blagojevich picked Chuck Hartke to lead the state Department of Agriculture. Two years ago, Republican David Reis gave the popular Hartke a race. Reis captured 45 percent of the vote in the east central Illinois district Hartke had represented since 1985.

Last spring, Grunloh was allowed to vote against the fees included in Blagojevich's budget. During the November veto session he even got legislation out of the House that would repeal the wastewater fee reviled by local governments.

In suburban McHenry County, Rep. Jack Franks, a Woodstock Democrat, astounds Republicans with his ability to maintain control of his conservative 63rd District. Since his election in 1998, Republicans have made challenging Franks a biennial event. Last spring, Franks was a lead sponsor on legislation creating a state drug-buying club intended to make prescriptions more affordable to seniors. He led the effort for years, but this time the legislation had the support of Blagojevich.

Still, Republicans think close ties to the governor could put targeted candidates in a bind. This spring, Blagojevich is staring at another budget deficit, now around \$2 billion. And he has renewed his promise to avoid tax hikes, which opens the door to fee hikes and other creative measures like those deployed last year.

The GOP will be watching to see if Democrats can keep their targets, including Sullivan, off the yes column on controversial measures. Beyond the budget, there are likely to be plenty of proposals designed, in part, to help or test targets in the months before the November election.

Sullivan, for instance, wants to further his efforts to curb meth, this time focusing on addiction. "It's going to take some work," he admits. "It can be done."

Such an accomplishment could be viewed at least partially through a political lens because this legislative session will be prime target hunting season. □

Pat Guinane is a Statehouse reporter for Lee Enterprises.

Richard Schuldt: *A primer on polling*

He has been director of the Survey Research Office in the Center for State Policy and Leadership at the University of Illinois at Springfield for almost 20 years.

The office specializes in surveys, both mail-out and telephone, for state and local government agencies, nonprofit organizations and the center. While the substantive focus for most projects relates to public policy, the office at times asks candidate preference questions as part of its periodic "omnibus" statewide surveys. Among Schuldt's recent projects was a statewide survey on perceptions of political ethics in Illinois.

He has taught at Knox College in Galesburg, Illinois College in Jacksonville and the University of Illinois at Springfield.

This is an edited version of a conversation with Executive Editor Peggy Boyer Long.



Pollster Richard Schuldt

Q. *We're going to see lots of political polls in the coming months. How can we weigh their credibility?*

Many kinds of pollsters can do credible polls. There are academic institutions. There are private consultants. And, of course, their clients are the candidates or parties. The media also initiate and sponsor polls. One thing to think about is who did the poll and why are they doing it. Is it for the use of the candidate or party? Is it to come up with information about public opinion, whether it be on an issue or on which candidates are preferred? The source of the poll, the intentions behind it, can determine how you analyze it.

Q. *Should we automatically dismiss the candidates' polls?*

I don't think you automatically do. But I think one characteristic to keep in mind is that there's probably a reason they get released. Most candidate-sponsored polls are for the use of the campaigns. If they find information to identify supporters or issues, a lot of times they aren't going to give that information away. And they're not going to release negative results.

Q. *You could compare polls for candidates.*

Exactly. I think most pollsters, while the methods they use can be different, are credible. Pollsters can be creative, though. Part of politics is defining the issues. It's a totally legitimate way of using polls, to see how different dimensions of issues can influence distribution of public opinion. That is a good way to look at public opinion polls.

And, don't just look at an isolated poll that's taken at a single point in time, but look at the variety of polls that are taken over different periods of time by different kinds of organizations.

Q. *How is the media doing in terms of polling?*

Overall, election-related horse-race polls have done a good job. Now, I think the higher the level of the office — the more voters are knowledgeable of particular races — the better the poll does because opinions are more formed and they're easier to measure, the less likely they are to change. We still have some complications on estimating how the undecideds are going to break and estimating turnout. And you still have to keep polling until the end because there are classic instances where pollsters quit too early and then didn't find last-minute changes. But, overall, I think they've done a good job.

Q. *Are there professional standards pollsters should follow?*

Yes, yes, yes. When I talk about polling, I'm talking about what's called scientific polling with valid methods. The first essential is identifying the relevant research population. If we're talking about an election poll, it's the voting public. To approximate this, you have your sampling frame. More and more, you can get lists of registered voters, and even how they voted in the previous primary. We can also ask people if they are registered to vote, but we know we get overreports of registration. We know we get overreports on whether people voted in the last election. But, one way or another, you come up with a sampling frame. Then you have to do some kind of probability method for selecting who's in the sample. Any credible survey organization is going to do that. There's different ways of doing it, but, in common parlance, you have to do some kind of random sample.

Q. *What is that, the probability sample?*

In the easiest case, we would say everybody has an equal probability of ending up in the sample. There are reasons you might want to depart from that, but let's just take the easiest case. The main purpose of taking a sample is to make conclusions about that relevant population: all the people who are going to vote.

Q. *So you've got the frame and you select a proportion that will represent the whole?*

A given number to represent the whole. Herbert Asher, in *Polling and the Public: What Every Citizen Should Know*, uses two good analogies. When you test your blood, you don't take all of your blood and test it because you would die. You take a sample. You test that particular part because all of the blood has the same mixture. The other analogy is when you are making soup and you taste it to see if it tastes good. You don't need all of the soup. You mix it up really well so that any given part of it has a representative taste. In essence, that's what

we're doing when we're doing sampling.

You know you aren't going to get a 100 percent response rate. So you have to choose more than you need. Then you're going to have to decide how you're going to get information from these people. The most common method is telephone polls.

What lists do we go by? One is a telephone directory. Two is a list of registered voters, and that's excellent if you can get it, except you better have phone numbers or you're going to have to look them up, which adds cost. And another method is random digit dialing. This gets at people who have unlisted numbers. Overall in Illinois, 70 percent of the households have listed numbers. But that also means 30 percent don't. It wouldn't be a problem if the 30 percent was the same as the 70 percent in terms of characteristics. But we know that isn't the case.

There's a bias in who's listed and who isn't. The more you get to urban areas, the greater percent of unlisted numbers you find. In the city of Chicago, it's estimated that about 50 percent of the households do not have listed numbers. In the suburbs more are listed. And when you get to rural areas even more are listed.

It's also true with response rates in general. The more you get into urban areas, the tougher it is to get people to respond.

Q. You've got to allow for that?

That's right. You've got to choose more numbers, or you've got to have more callbacks.

Once you get hold of the household, by some random method or some, let's say, nonbiased method, you have to determine who to talk to in the household because there's biases in who answers the phones. In most households where you have mixed genders, women are still more likely to answer the phone. There's another reason we get more women than men. It's because there are more all-female households than there are all-male households. But, anyway, we have to watch that. What we do when we call is ask for the person with the next birthday. There are other ways to do it.

Then you have to determine for election polls whether that person is registered and how likely they are to vote. There's different methods, usually proprietary, that pollsters use to determine who's going to

vote and who isn't. There's some judgment that comes into play.

Q. How many interviews make the sample credible?

I think a lot of the skepticism comes from the question of how can you make valid conclusions when you only talk to 400, 600, 800 people and you're trying to make inferences to a voting population of 4 million, let's say. This actually is the least valid of the criticisms because, if you do the random sampling that we just talked about, if you do that in a valid fashion, the theory of sampling is such that you can talk to 400 voters and, if you validly measure their intentions, you will be accurate within plus or minus 5 percent of the actual results 95 percent of the time.

Q. I'm going to ask what the heck that means?

Here's the sampling error: plus or minus 3 percent, plus or minus 4, plus or minus 5. Or they'll say it's accurate within plus or minus 3 percent.

Q. So, if you see something that's, say, 6 percent, 8 percent accurate?

That's OK as long as they report it. But you just have to know how to interpret that then. Usually it is 3 to 5 percent because, if it gets beyond that, it has to be a big difference between two candidates to matter. A lot of times you've just got to say it's too close to call.

Sometimes I see the media emphasizing a small difference when the real story is that there is little difference or none between the candidates at that point in time. I think over the past 20 years the media has become more sophisticated in their interpretation of that. But you still see it going on now and then.

Let's talk about specific numbers though. All this plus or minus business is called sampling error. To be plus or minus 3 percent, you basically need to talk to about 1,100 voters. To be plus or minus 4 percent, 600 voters. Plus or minus 5 percent, just under 400 voters.

Q. It sounds like it's what you can afford to sample.

That's right. To get it down to plus or minus 2 percent, you've got to jump up to

about 2,200. There is a point of diminishing returns. On the other hand, you don't want to go too far below 400, plus or minus 5 percent, because that means if 60 percent of your respondents said, "I'm for candidate A," it could mean, in reality, as low as 55 or as high as 65. And a lot of times we'll see the survey finds it's 48 to 45. Well the 48 could be as low as 43. It could be as much as 53. And, of course, the 43 could be as low as 38, but it could be as high as 48. There's an overlap there.

The other thing is subsets, groups within the whole.

Q. Women vs. men?

Exactly. If you're dealing with 1,100 plus or minus 3 percent overall and you start talking women vs. men, each are about half. What you actually have for each of those groups is 550.

Q. A different sampling error within the subsets?

There are ways you can test for statistical, significant differences. So reports will say there are significant differences.

Let me mention one other concept. It's called "confidence level." We're talking about sampling error, but it doesn't mean that 100 percent of the time we do a poll this way it's going to be plus or minus 3 percent. It means that if we did this same poll 100 times, 95 times out of a hundred, it's going to be plus or minus 3 percent. Another way of putting it is that over a number of polls, there's a likelihood that 5 percent of them are going to be outside that range.

If it's not reported, you can generally assume it's 95 percent because that is the conventional confidence level. One could decide to do a poll at 90 percent, but you should report that.

Now, I should mention that all this about confidence level applies to a single poll. If you have a number of polls taken at the same time, and all — or nearly all — point to the same conclusion, you can have even greater confidence in the results.

Q. Is it getting more difficult to get people to respond to polls?

Yes. For probably the first half of the 19 years I've been in this business, we had far more completions than refusals. Then all

of a sudden our refusals started inching up to our completions. I talked to other people in the business. It's happened to everybody. And most of it is attributed to all of the telemarketing that has made people sick of answering the phone, mostly for sales. But also some people don't like pollsters.

The other thing is the proliferation of phone numbers because of fax machines, because of Internet modem connections. There's just a lot more phone numbers. That means it's much less efficient to do a telephone poll than it was before. You have to dial a lot more numbers to get the same number of completions.

There's a debate among pollsters, the academic community and commentators about the meaning of lower response rates. Can you still do a valid poll even though the response rates are much less? The real problem isn't the lower response rate per se. It's do we have a biased rate? Are we getting systematic differences in whom we talk to vs. whom we don't talk to?

Q. That's under study?

The Pew Research Center several years ago did a typical telephone survey where they got a 42 percent response rate. Then they followed up with the people who didn't answer the phone, and they got the response rate up to 70 percent. They looked at the difference in the two. There was little substantive difference. Now that made some of us feel better about using our typical six-to-10 call-back method.

Q. People worry questions could be leading. Is there also concern about the order of question categories?

For the voter preference question, I think most pollsters ask, "If the election were held today" It's more concrete. Any time you ask people to project you can get into trouble. You probably want to avoid hypotheticals if at all possible.

But then there's the response alternatives, the order of those. Particularly in races with a long list of candidates. The order is probably most important. Which do you list first? Which do you list second? Which do you list third? One way of doing it is put it on a computer. You can randomize the list. I like, particularly in shorter races, to simulate what voters will see on the ballot.

Q. How do we factor undecideds?

If you're using the poll to predict the election, the question is how you allocate the undecideds. Do you ignore them? Well, some of those people are going to vote. Do you assume they're going to split the same way as the decideds? Some people say in many races you can. But I think the fact that they're undecided means they're different. And a lot of the undecideds will break against the incumbent.

In 1992, the national polls, Gallup, were a bit off in the Bill Clinton, George Bush, Ross Perot presidential race because of how they allocated the undecideds at the end. They didn't give enough to Perot and, as I remember, they gave too many to Clinton. Perot got 18 percent of the vote.

Q. What challenges are pollsters likely to face in the future?

For telephone surveying here's a couple. The increased use of cell phone vs. hard wired phones. Until recently, the samples we have purchased, the frame that they come from to do random digit dialing, are noncell phone exchanges. The more people are depending upon cell phones rather than hard-wired phones — if there's a bias there, we're missing those people. But there's a recent FCC ruling that changes that. As I understand it, not only can you keep the same cell phone number when you move from cell phone provider to cell phone provider, but if you are a hard-wired phone user and you want to become a cell phone user there's an opportunity to keep the same number. That may help us out. But if people have to pay when they answer the phone, that can make them even more irritated with us.

And people are using Internet services for telephone services. So what are those exchanges and can you reach people the same way? That is a big challenge. And what about Internet surveying, surveying people through e-mail. Internet usage now by percentage of population is probably in the mid-60s. There's a systematic bias in who uses it and who doesn't. Particularly, older people and the lower educated don't. That's a controversial area.

Technology and how people use technology to communicate is going to change surveying in the next 10 years. □

When polls go bad

Q. What have been some of the biggest political polling mistakes?

The biggest early mistake was 1936. The prediction of Alf Landon over Franklin Roosevelt. That was because they used lists of telephone subscribers. And they were much more educated and affluent during the Depression. So they predicted Landon and, in fact, Roosevelt won in a landslide.

Then in 1948 the polls predicted Thomas Dewey over Harry Truman. Two reasons: One was the use of quota sampling vs. random sampling. This was the least important, I think. Quota sampling is when you tell an interviewer, "You go out and interview people, and I want you to interview so many males in this age group, so many females in this age group." You set up quotas. But it left too much discretion for the interviewer. It wasn't totally random. That was a problem. But the biggest problem was that the polling stopped too soon. And the last-minute deciders heavily went for Truman. The polling, because it had stopped, didn't pick that up.

Now, another big example — and this is Illinois — is 1982, when former Gov. James R. Thompson was running for re-election against Adlai Stevenson. The polls all predicted Thompson by double digits. The final race came down to 0.2 percentage points. The reason pollsters were wrong is that they missed the big organizational push, particularly in the city of Chicago, to vote a straight Democratic ticket. That produced a greater turnout, which many analysts attribute to general election efforts [on the part of white ethnic and black Chicago committeemen] aimed at mobilizing the vote for the upcoming spring mayoral election.

So, you better not just be looking at polls to predict. You've got to be looking at the total context of the campaign, including the organizational efforts on the ground. □

Lincoln and race

The Great Emancipator didn't advocate racial equality. But was he a racist?

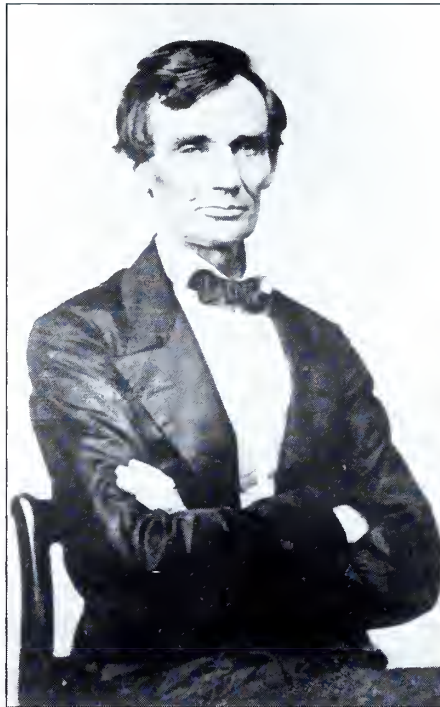
Essay by Stacy Pratt McDermott

Illustrations courtesy of the Papers of Abraham Lincoln

Was Abraham Lincoln, the “Great Emancipator,” a racist?

In recent years, some writers and scholars have argued that he was. They have reduced the complexities of his racial views to his brief support of the movement to colonize blacks in Africa. They have insisted that the Emancipation Proclamation was merely a military strategy, which did not become an instrument for social reform. They have argued that Lincoln was not quick enough to make the abolition of slavery a primary aim of the Civil War. They have suggested that abolitionists forced Lincoln to develop a higher moral agenda in conducting the war. They have argued that Lincoln was a white supremacist dedicated to the elevation of white society at the expense of the rights and freedoms of black Americans.

Some of these arguments are compelling, and some of them are outrageous. But to address the question of whether Lincoln was a racist, we need to understand the historical context of race. We need to make a distinction between evaluating historical actors on their own terms and evaluating them in terms of our own modern perceptions. We need to understand not only how Lincoln the politician understood race, but also how Lincoln the man responded to it in the context of the society in which he lived.



Abraham Lincoln sat for this portrait in Springfield in 1860.

Understanding race within its historical context is the only way to get to the truth. Such current research projects as the Illinois Historic Preservation Agency's Papers of Abraham Lincoln make available documentary evidence of Lincoln's interactions with blacks, and an examination of that evidence enhances our understanding of Lincoln and his era.

First, some historical truths. In the first half of the 19th century, millions

of blacks were enslaved. Free blacks in the North could not vote, serve on juries or hold public office. Southern states denied slaves the right to read, to write and to marry. Northern states, including Illinois, restricted the settlement of free blacks within their borders.

Most whites throughout the country held views of racial superiority over blacks. Public discourse of the period justified these racial constructs with biological, religious, legal, social and political rhetoric. Race determined the opportunities available to people in antebellum America, and only a small number of white individuals — such as Ralph Waldo Emerson, Charles Sumner, John Brown, and William Lloyd Garrison — envisioned, to varying degrees, a free society that included blacks as the legal, political and social equals of whites. At no time in American history had political and legal institutions recognized blacks as fully enfranchised citizens.

That racial reality is the context in which Abraham Lincoln lived, practiced law and politics, and served as president of the United States. Given this, it is necessary to recognize the enormous odds blacks faced in a society seemingly dedicated to the preservation of white superiority. It is equally important to understand how difficult it was for whites to endorse black freedom and equality. To be

Yesterday I learned that you are anxious to see the land where you live, and move to Missouri. I have been thinking of this ever since; and can not but think such a notion is utterly foolish. What can you do in Missouri better than here? I the same. I do not think it

identified as an abolitionist or a proponent of black rights was not socially or politically expedient. In fact, it was often dangerous. The 1837 murder of Elijah Lovejoy in Alton, and the caning of Charles Sumner in the U.S. Senate in 1856 are only two sensational examples.

Lincoln the politician did not recognize blacks as his social or political equals and, during his years as a lawyer and office seeker living in Illinois, his opinion on this did not change. Lincoln was opposed to the institution of slavery during his entire lifetime but, like most white Americans, he was not an abolitionist. In antebellum America, abolitionists were a marginal, radical group, and most white Americans did not participate in or endorse abolitionist activities.

Perhaps Lincoln's inability to embrace black equality in the pre-Civil War era and his failure to become involved in abolitionist activities demonstrates a weakness in his character. Perhaps it merely exposes the pervasiveness of inequality in the social, political, legal and economic institutions of antebellum America. After all, even most people who were courageous enough to call themselves abolitionists and participate

in abolitionist activities, did not advocate social and political equality for blacks.

For some modern-day observers, this is simple math: Lincoln lived in a racist society; he did not view blacks as socially or politically equal to whites; and he was not an abolitionist. Therefore, Lincoln was a racist. But is there more to Lincoln than this equation?

During the 1840s, when Lincoln was establishing himself in Springfield's legal, political and social circles, he was a frequent guest in the homes of individuals who held slaves. Yes, there were slaves in Springfield. Though Article VI of the Illinois Constitution banned slavery, there were slaves living throughout the state. It is likely communities simply turned a blind eye to these residents. But they would have been visible to Lincoln and, most likely, he had some degree of interaction with bondsmen. Unfortunately, there is no evidence to suggest how Lincoln might have felt about the slavery he witnessed in Springfield.

There were a number of free blacks living in Springfield as well. Abraham and Mary Lincoln employed two black women as domestic servants in their home. Many of Lincoln's professional and personal acquaintances

employed blacks. By 1860, 311 free blacks lived in Sangamon County. At that time, there was no structured residential segregation, and 21 blacks lived within a three-block radius of Lincoln's home. One black woman was a member of Mary Lincoln's church and another drove Lincoln to the railroad station when he left for Washington in 1861.

These black Springfield residents were Lincoln's neighbors, and Lincoln was acquainted with many of them. There was a black shoemaker and at least two black barbers, one of whom was a Baptist elder. Local blacks owned property and some were activists, participating in the colonization society and attending an annual Springfield event that celebrated the 1834 emancipation of slaves in Haiti.

During his law practice, Lincoln had black clients and participated in cases that benefited black Illinois residents, and his third law partner, William Herndon, defended fugitive slaves. Lincoln defended a black woman in a criminal trial, helped three individuals escape convictions for harboring fugitive slaves and handled the divorce case of a local black couple.

In an 1855 slander suit, Lincoln

FROM THE PAPERS OF ABRAHAM LINCOLN

The Web site of the Papers of Abraham Lincoln now features searchable online access to a day-to-day chronology of Lincoln's life.

The project produced an expanded online version of the book *Lincoln Day by Day*, a compilation of work by Lincoln scholars that was published by the Lincoln Sesquicentennial Commission in 1960. The project's electronic version, titled *The Lincoln Log: A Daily Chronology of the Life of Abraham Lincoln*, is available by clicking an icon on the Web site: www.papersofabrahamlincoln.org.

Staff of the Papers of Abraham Lincoln, a project of the Illinois Historic Preservation Agency that is co-sponsored by the University of Illinois at Springfield, is compiling all known documents written by or to Lincoln in his lifetime for comprehensive production in electronic form, as well as publication of volumes of selective materials.

In 2000, the project released on DVD its compilation of the known documents from Lincoln's law practice. Also available online is access to a curriculum on the project geared toward high school teachers. □

Sell the land, get the money and spend it - part with the land you have, and my life upon it, you will never after, on a spot big enough to bury you in - If you will get for the land, you spend in moving to Missouri, and the other half you will eat and drink, and wear out, & no foot of

represented William Dungey, a man with a dark complexion, who was struggling to prove his whiteness and maintain the privileges of white citizenship. Whether Dungey was “black” or “mulatto,” Lincoln understood the importance of his client’s fight to hold on to his white identity in a society that would take away his freedoms if his accuser was successful in proving his blackness.

Lincoln represented his clients, regardless of their racial identities, to the best of his legal abilities and took seriously his responsibility to them. One of Lincoln’s long-term clients was a Haitian-born black man, William Florville, a Springfield barber who owned a great deal of land. Beginning as early as 1847, Lincoln became Florville’s attorney. During the time of their lawyer-client relationship, Lincoln represented Florville in three lawsuits. He also handled legal matters related to Florville’s land holdings, including tax payments.

On September 27, 1852, Lincoln sent a letter to his friend and fellow attorney Charles Welles, asking Welles to help him out of a difficult situation. Lincoln was at court in Bloomington and was unable to follow up on a legal matter involving Florville. The letter is not extraordinary in the context of Lincoln’s legal practice. There are dozens of examples of Lincoln correspondence that detail his concern for his clients. Lincoln wrote to Welles:

I am in a little trouble here. I am trying to get a decree for our “Billy the Barber” for the conveyance of certain town lots sold to him by Allen[,], Gridly and Prickett. I made you a party, as administrator of Prickett, but the Clerk omitted to put your name in the writ, and so you are not served.

Billy will blame me, if I do not get the thing fixed up this time”

The language is interesting. “Our ‘Billy the Barber’” could be taken as paternalistic and condescending, but Lincoln clearly does not wish for Florville to be angry with him. Florville was black and could not vote, so Lincoln wasn’t concerned about alienating a potential voter. Lincoln was “in a little trouble here” and did not want to risk his professional reputation or face the disapproval of a paying client.

The letter was respectful of Florville and indicated that he was a prominent member of the community. Welles also knew Florville because Lincoln referred to him in a familiar way. In this context, Lincoln and Florville had a typical lawyer-client relationship, and Florville’s race did not get in the way. Lincoln wanted Florville to respect him, but not because Lincoln was white and Florville was black.

Lincoln, like most lawyers, took cases that came to him without regard to his personal views regarding the clients or the cases and, like most lawyers, he approached the law from an amoral perspective. For example, Lincoln personally hated divorce, but he handled numerous divorce cases, helping clients to end their unsatisfactory marriages.

Evidence of Lincoln’s cases is contained in the Papers of Abraham Lincoln’s *The Law Practice of Abraham Lincoln: Complete Documentary Edition*, a three-volume DVD set with images of Lincoln legal documents. It provides examples not only of Lincoln’s willingness to advocate for black clients, but his willingness to take cases that harmed free blacks and slaves.

During Lincoln’s first law partner-

ship with John Todd Stuart, Stuart wrote an indenture for a young black girl. And in a debt case, the partners represented a client who had failed to pay for a black female servant the client had purchased. In 1841, Lincoln handled a case in which one of Lincoln’s clients paid a debt by delivering a slave woman and her child to the creditor.

In 1847, Lincoln defended Robert Matson, a Kentucky slaveholder, who had brought five of his slaves with him to Illinois. While in Illinois, Jane Bryant, her son and her three daughters escaped from Matson and petitioned for their freedom. Matson retained Lincoln, who used the doctrine of comity, arguing that property owners could take their property (including their slaves) anywhere in the country as long as they were in transit and not in permanent residence in a free state. Fortunately for Jane Bryant and her children, the court disagreed with Lincoln, arguing instead that bringing slaves into the state was a “contravention of the Constitution of Illinois,” and declared the family free.

In 1857, after the U.S. Supreme Court delivered its opinion in the famous Dred Scott case, Lincoln publicly decried the outcome. In the 7-2 decision, the court upheld the federal case in Missouri in which a black man had petitioned for his freedom. Interestingly, Supreme Court Justice Roger Taney supported the opinion of the court by citing the doctrine of comity, making the same argument that Lincoln had made when he defended the slaveholder Matson 10 years earlier. The court’s decision not only denied Dred Scott his freedom, but it declared that blacks were not eligible for citizenship.

The decision sent a shockwave across the country, as proponents

knows in such a piece of footing— I feel that it is so even on your own account, and particularly on Mother's account. The Eastern forty acres I intend to keep for Mother while she lives— if you will not cultivate it, it will rent for enough to support her at least it will rent for something— Rev. Howe in the other two letters & now let you have and no thanks to

of slavery celebrated the high court's protection of the institution and as opponents of slavery, like Lincoln, denounced it.

Lincoln's opposition to the Supreme Court's decision provided a target for Stephen A. Douglas in the Illinois senatorial debates the next year. Douglas argued that by rejecting the Dred Scott opinion, Lincoln had declared "warfare" on the Supreme Court and was advocating black citizenship and equality.

In the first of the famous Lincoln-Douglas debates in Ottawa in August 1858, Lincoln countered Douglas' accusation by stating: "I have no purpose to introduce political and social equality between the white and the black races. There is physical difference between the two, which in my judgment will probably forever forbid their living together upon the footing of perfect equality."

Throughout the debates, Douglas repeatedly accused Lincoln of advocating racial equality, and Lincoln repeatedly refuted this charge, sometimes with stronger language than he had used in Ottawa.

In the 1858 campaign for the U.S. Senate, Douglas was a vocal proponent of white supremacy, and he was Illinois' proslavery candidate. Abraham Lincoln did not advocate black and white equality, but he was Illinois' antislavery candidate. Douglas won the election, but two years later the political climate had changed. In 1860, when Lincoln was the Republican Party's candidate for president, he was, essentially, the same candidate he had been during his campaign for the Senate. He was still opposed to slavery, and he still did not embrace racial equality. This time, however, the party with the antislavery platform won the election.

Throughout his lifetime, Lincoln had

contemporaries who were more radical on the question of race than he was, and he had contemporaries who were more conservative. Lincoln enjoyed meaningful personal and professional connections with individual black people, yet it took four years of bloody Civil War to begin to change his attitudes about the possibilities for black freedom and equality. Did these attitudes make Lincoln a racist? Or do they reveal complexities in his character?

If we employ our modern definitions of race and racism, we cannot see the complexities of Lincoln's character and we cannot examine the contradictions within the man. If we dismiss Lincoln as a racist, then that is the end of the story because he was no different from the proslavery Douglas, for example, and there is no point in investigating the matter any further.

It is important to remember that human beings — in the present as well as in the past — are flawed, complicated and contradictory. Lincoln was not immune from the complexities of human nature. In the end, the limitations of Lincoln's own racial perspectives were an indictment of the larger society.

Much of American history was not pretty, but the complexities and the contradictions of the various historical experiences of the human condition provide a much more truthful picture of our racist past than does boiling down the details into one word with which we are only beginning to come to grips. □

Stacy Pratt McDermott, an assistant editor for the Papers of Abraham Lincoln, was a contributor to In Tender Consideration: Women, Families, and the Law in Lincoln's Illinois, which was published by the University of Illinois Press in 2002.

Abraham Lincoln



Photograph by Duane Zehr of Bradley University

Kevin Stein

An author and professor of literature at Bradley University, he was chosen by Gov. Rod Blagojevich to be Illinois' fourth poet laureate. This is an edited version of a conversation Illinois Issues' Projects Editor Beverley Scobell had with Stein. For more complete biographical information on Stein and to read some of his poetry, see the Illinois Issues Web site at illinoisissues.uis.edu.

Q. What do you see as the role of poetry in this state's civic life?

I don't know if I buy into that [Percy Bysshe] Shelley comment about poets being the unacknowledged legislators of the world. It may well have been more true in the 1800s than it is now. But I do believe poetry has a public function. And I think some of our poet laureates, some of our just past poet laureates, have proved that.

Beyond that, I think what poetry provides is a chance to slow down our lives. Everything is accelerated at break-neck speed: voicemail, cell phones and the Internet. Poetry, on the other hand, both reading it and writing it, rewards patience.

Q. What are the challenges you foresee in getting the public to care about poetry?

Part of the caring is reaching them. I think one of the things we have to do is find a way to incorporate an appreciation of poetry, and an understanding of poetry and how it can relate to one's life in our schools. I think that's key because that will last beyond a one-year effort by the laureate. It will last, if you do it right, year after year in the schools, and year after year in the students' lives.

I think the other issue, as I said, is access. Lots of times poets pride themselves, it seems to me, on preaching to the choir. We talk to the same folks at universities or the same folks who listen to great NPR programming, but we



Poet Laureate Kevin Stein

don't reach those individuals who normally wouldn't encounter poetry and perhaps have a fear of it or maybe a muted hatred of it from their own experiences as kids. I'd like to try to mix venues, using the Internet, using newspapers, using public radio and also just using AM or FM — get people in their cars to listen to a poem in a 20-minute drive to work. It might not change their lives or make them a better person, but it might give them a bit of pleasure that those of us who love poetry understand.

Q. What do you see yourself having accomplished in a year?

In a year I want to have [a] poetry Web site up and running. One of the features I'm very keen on is including audio files of poets reading their work. And a corollary project we want to accomplish is to compile a CD of Illinois poets reading their poems. I am keen on the idea of having on the Web site these audio files in which you can see and hear the people, and as the year goes by compiling these poets' readings on the CD. We'll try to make it available to the public and to the schools. If schoolchildren could hear poems read by living poets, they'll learn more than just reading them

Excerpt

Past Midnight, My Daughter Awakened by Miles Davis' Kind of Blue

In the presence of blue, it's the eye that signals to the brain, that signals to the heart, slow down, slow down, a process of attenuation I hear in Coltrane's notes, loping then sprinting, then nearly gone...

Kevin Stein

in a book. Also, I really would like to have poems by poets who are deceased. I'd like to have those poems read by their sons or daughters, their descendants, or by notables in the state — to show that people in public positions appreciate poetry, too. I've not twisted anyone's arm about that yet, but it's a goal.

Q. The poet laureate has always been a lifetime appointment. Gov. Blagojevich limited the term to four years. What do you see as the advantages and disadvantages?

I think there are arguments on both sides. Those who argue against the four-year term make a couple of compelling points, the first being that the poet laureate might be a bit fearful of what he or she might say in the poems because someone in government might not like it and not renew that person. I don't expect that of this governor, but one never knows. The other argument against it is that just as someone builds up steam and starts to do some programs that work and gets his or her feet on the ground, the term is over.

Those that argue for changing the poet laureate every four years, I think, argue along the lines of variety and diversity. And I think that's key in a state that has such ethnic and racial diversity. There are a lot of poets in Illinois who are gifted writers, and one of things you want to do is show the different faces and colors and textures and sounds of diverse voices.

For more information about people see the *Illinois Issues* Web site at <http://illinoisissues.uis.edu>

Fitzgerald heads CIA probe



Patrick Fitzgerald

Northern Illinois' top prosecutor, U.S. Attorney **Patrick Fitzgerald**, is leading the investigation into who leaked the name of an undercover CIA agent to a columnist last year.

Deputy Attorney General James Comey appointed Fitzgerald after Attorney John Ashcroft stepped aside to avoid the appearance of a conflict of interest. Comey, who worked with Fitzgerald when they were both assistant U.S. attorneys in New York, praised Fitzgerald's knowledge of national security matters and his aggressive prosecution in cases of political corruption and terrorism.

Fitzgerald prosecuted the bombers of the 1993 World Trade Center and later indicted Osama bin Laden and others for bombing two U.S. embassies in Africa in 1998.

Since becoming a U.S. attorney for Illinois two years ago, he has furthered his reputation as being tough on crime and corruption. Most recently, he indicted former Illinois Gov. George Ryan on 18 counts of corruption in the Operation Safe Road investigation.

During the leak investigation, Fitzgerald continues to serve as the U.S. attorney for the Northern District of Illinois. He seeks to identify the person who leaked the name of CIA officer Valerie Plame to *Chicago Sun-Times* columnist and television commentator Robert Novak. Plame is married to former Ambassador Joseph Wilson, who alleged the leak of his wife's name was in retaliation for his statement that the administration of President George W. Bush justified going to war by exaggerating Iraq's nuclear capabilities.

Bethany Carson

LINCOLN LIBRARY

Edgar leads foundation



Jim Edgar

Former Republican Gov. **Jim Edgar** was appointed chairman of the Abraham Lincoln Presidential Library and Museum Foundation by Gov. Rod Blagojevich.

Edgar initiated the campaign to build the library during his second term as governor, was the first governor to commit state funding for the project and sought federal matching contributions for the project.

The former governor is now a distinguished fellow at the Institute of Government and Public Affairs at the University of Illinois and, among other activities, serves on the *Illinois Issues* advisory board.

The library and museum board aims to raise \$50 million by the 2009 bicentennial of Lincoln's birth.

Miss America wants to be Miss Illinois Bush Delegate

Miss America 2003 **Erika Harold** filed last month to appear on the Illinois primary ballot as a delegate for President George W. Bush. The Urbana resident may be the flashiest among the hundreds of candidates to file.

At filing deadline, Democrat **Carol Moseley Braun** took herself out of contention and threw her support to **Howard Dean**.

For more specifics, see our Web site — illinoisissues.uis.edu — or go directly to the searchable State Board of Elections candidate filing page: www.elections.state.il.us/elecinfo/pages/CandFiling.asp.

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Wrong conclusions

I was very frustrated by Daniel Guillory's backhanded compliment to Wal-Mart. On one hand, Guillory praises the country's largest merchant for reintroducing the printed word to the masses. Then, on the other hand, he blames Wal-Mart for not offering the right kind of books.

By ignoring the fact that both Wal-Mart and Oprah's Book Club are general merchants, Guillory reaches the wrong conclusion about the reasons for their combined success.

Wal-Mart's corporate accomplishments are the result of the fact that it is the modern-day general store. It offers a smattering of everything in the hope of luring customers. A company does not exercise censorship when it fails to stock a particular product or line; it is responding to the discriminatory decision-making process of its customers.

*Brian McDaniel
Crest Hill*



Write us

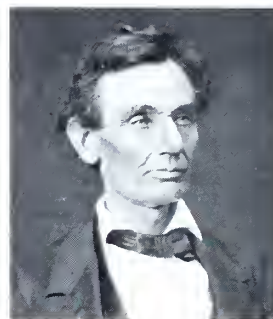
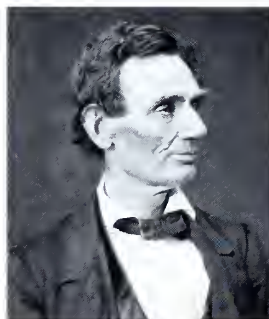
Your comments are welcome. Please keep them brief (250 words). We reserve the right to excerpt them.

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boyer-long.peggy@uis.edu

And visit *Illinois Issues* online by going to:
<http://illinoisissues.uis.edu>

State Historical Society offers rare Lincoln prints

Archive-quality prints of two of the best-known photographs of Abraham Lincoln are now available to the public through the Illinois State Historical Society. Chicago photographer Alexander Hesler took the formal portraits on June 3, 1860. Because of the size of the negatives (8 x 10 inches), they are among the most eloquent and revealing photographs of our greatest president. The original negatives are in the Smithsonian but are in shards. According to Christie's auction house in New



York, the Society's plates are apparently the sole surviving set.

Matted prints of these portraits are \$150 apiece, plus tax (if applicable) and \$35 shipping and handling. They are also available in hand-crafted walnut frames for \$250 each, plus tax and \$45 shipping and

handling. Please place your orders with the Illinois State Historical Society, 210-1/2 S. 6th St., Suite 200, Springfield, IL 62701. Checks, money orders, and Visa or Mastercard credit cards may be used. Call 217-525-2781 for more information. Please allow four weeks for delivery.

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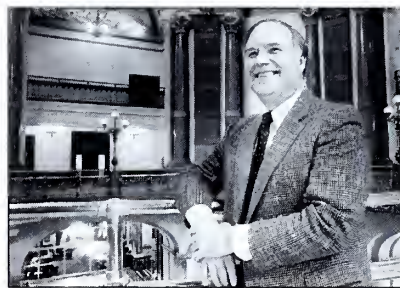
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Charles N. Wheeler III



The governor's attack on a constitutional entity was unprecedented

by Charles N. Wheeler III

Amazing. Unbelievable. Incredible. Take your pick — all aptly describe Gov. Rod Blagojevich's second State of the State address, a performance unlike that of any other governor in recent memory.

Not just its 90-minute length, nor its single-minded focus on a single subject, but even more astounding was the sheer ferocity of his attack on the State Board of Education, a jeremiad against a constitutional entity by a chief executive unprecedented in its viciousness.

Likening the board to "an old, Soviet-style bureaucracy," Blagojevich argued the agency stands in the way of better schools and should be replaced by a Department of Education under his control, which he said could perform all the state board's duties with 40 percent fewer employees and at 20 percent less cost, freeing up \$1 billion over four years to reinvest in classrooms.

Taking the hour-long diatribe at face value, a gullible listener might conclude the board and state schools Superintendent Robert Schiller posed a greater threat to Illinois' future than the New Madrid Fault and Al Qaeda taken together.

Unfortunately, though, intellectual honesty is not a hallmark of this administration, so a thoughtful citizen would be well-advised to take the governor's rant with a huge dose of skepticism. Consider, for example, three of his main allegations:

- The board is not accountable. True,

In creating a state board of education, the framers of the 1970 Constitution hoped to insulate education from partisan politics.

state board members and the appointed schools superintendent are not directly answerable to the governor as are department directors and agency heads, including whoever would be running Blagojevich's education department.

In creating a state education board, though, the framers of the 1970 Constitution hoped to insulate education from partisan politics. Delegates envisioned an independent entity advocating for Illinois schoolchildren, not board members and a schools chief compelled to parrot a governor's party line, as must department directors who don't want to be looking for a new job.

Moreover, because the governor appoints board members and the legislature sets the board's budget, ultimately the agency is accountable to elected leaders.

- The board spends only 46 cents of each dollar of education funding on

direct instruction; the rest "never makes its way into the classroom."

That's partially true, according to statistics the state board compiles from local school districts, but extremely misleading.

Direct instruction did indeed account for 46 percent of education spending in the 2001-2002 school year, for which the most recent data is available. But direct instruction includes only the costs of teachers and classroom assistants, not other expenses most parents would consider essential to a child's education.

For example, another 31 percent of local school district expenditures went for support services, such as school nurses, counselors, librarians, cafeteria workers, janitors and bus drivers, as well as the costs of lighting and heating the buildings, supplying the cafeteria and similar outlays. Another 18 percent went for capital costs — building new classrooms, repairing old ones and paying off money borrowed to finance similar improvements in the past.

General administration, including the costs of the state board, the regional education offices and local school administrators around the state, accounted for only about 2.5 percent.

Moreover, more than 90 percent of administrative costs are local, whereas school district budgets — including superintendents' salaries and bureaucratic headcount — are set by locally elected school boards. In fact, the state board's proposed budget for next school

year asks for \$16.5 million for its operations and \$23 million to fund regional services offices, less than half of 1 percent of the total \$8.7 billion general funds request.

• The board's "penchant for constant interference, its ever-changing rules, its ever-growing number of regulations, the crushing amounts of paperwork, handcuffs our educators and ... shortchanges our children." The governor claimed board rules tally more than 2,800 pages, though a review showed many pages with just a few lines of text or a single paragraph.

Numbers games aside, however, a more salient point is that not a single one of the rules was promulgated by the board unilaterally. All were adopted to comply with state law, federal directives or court mandates.

Besides marveling at the vituperation of the governor's screed, one inevitably wonders why. What motivated such vitriol? Was it just another example of the governor's modus operandi, choosing a new straw man for the ongoing marketing saga of Rod the

As study after study has documented for decades, the fundamental problem is the way the state funds public schools.

Reformer against entrenched evil, be it embodied in state workers, judges, public universities, fellow constitutional officers, lawmakers?

"It's our turn," said Schiller, the state schools chief, after the address. "Today, because I'm the CEO of the state board, I had the bull's-eye on my back."

But equally plausible is the notion that the governor simply reacted as politicians often do when faced with a tough question — change the subject to divert the public's attention.

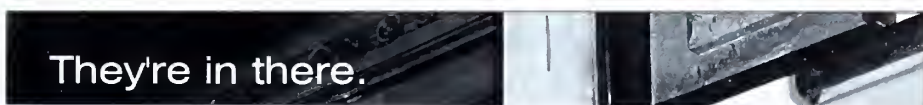
How the boxes line up on the organi-

zation chart is not the real issue facing Illinois schools. Instead, as study after study has documented for decades, the fundamental problem is the way the state funds public schools. Relying too heavily on local property taxes leads to wide disparities in per-pupil resources among districts and leaves some without the money needed to provide an adequate education for local youngsters.

But the governor has made clear his opposition to any increase in income or sales taxes, as would be needed to underwrite any significant shift away from local property taxes to state funds. Thus, the State of the State smoke-screen, blaming faceless apparatchiks in a monolithic bureaucracy for what in fact has been the chronic failure of Illinois leaders to address the issue squarely.

Blagojevich is not the first to duck the issue, of course, but no one else has done so with such mean-spirited gusto. Truly, a memorable moment. □

Charles N. Wheeler III is director of the Public Affairs Reporting program at the University of Illinois at Springfield.



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